

**Puerto Rico Department of Education
Request for Limited Waiver**

Exhibit C

Excerpts from the Puerto Rico Department of Education's Request for Proposals For E-Rate FY2014 Wide Area Network and Internet Service, dated December 20, 2013

Note: To meet the file size limit in the Commission's Electronic Comment Filing System, the following sections in the RFP, which are not relevant to the Request for Limited Waiver, have been *excluded*:

APPENDIX I	PRDE Schools and Non-Instructional Facilities, pages 2-35 (listing PRDE's eligibles locations 37 through 1242) and pages 37-43 (listing PRDE's ineligibles locations 37 through 282). Only the first page in the list of eligible entities and the first page in the list of ineligible entities is included in this Exhibit.
APPENDIX II	Service Requirements
APPENDIX III	Service Level Agreement Requirements
APPENDIX IV	E-rate Invoicing Requirements
APPENDIX V	Proposal Format and Submittal Checklist
APPENDIX VI	Forms 1, 2-B, 2-C, and 3 through 9



RFP NO: WAN/INTERNET-OSIATD-2014-001

**REQUEST FOR PROPOSALS FOR
E-RATE FY2014 WIDE AREA NETWORK AND INTERNET SERVICES**

EVENT	DATE/TIME*
Publication and release of RFP and Posting of Form 470	Friday, December 20, 2013
Deadline for Submitting RFP Questions	10:00 a.m., Friday, January 3, 2014
Pre-Proposal Vendor Conference (<i>Optional**</i>)	10:00 a.m., Thursday, January 16, 2014
Deadline for Submitting Letters of Intent (Mandatory)	12:00 p.m. (Noon), Friday, January 24, 2014
DEADLINE FOR SUBMITTING PROPOSALS	12:00 p.m. (Noon), Friday, January 31, 2014

* All listed times are Atlantic Standard Time (AST)

**The Pre-Proposal Vendor Conference will be held in the Marlon Serrano Activity Room on the 1st Floor of Antigua Sede, at the address below.

**LATE PROPOSALS WILL NOT BE ACCEPTED
PROPOSALS SUBMITTED BY FAX OR EMAIL WILL NOT BE ACCEPTED**

VENDORS SHALL DELIVER TWELVE (12) COPIES OF PROPOSALS AS FOLLOWS:

- 1 Signed Original Proposal in a 3-Ring Binder, clearly marked as the Original
- 10 Exact Copies of the Original Proposal in 3-Ring Binders, without Financial Statements
- 1 Exact Copy of the Original Proposal on a Jump Drive, including Financial Statements

ALL PROPOSALS MUST BE ADDRESSED AND HAND-DELIVERED BY VENDOR OR COURIER TO THE FOLLOWING ADDRESS BY THE DEADLINE:

Francisco Alonso Cruz
Office of Information Systems and Technology Support for Teaching (OSIATD)
Puerto Rico Department of Education
Antigua Sede (Former PRDE Headquarters), 4th Floor
Tte. César González, Esquina Kalaf
Urb. Industrial Tres Monjitas
Hato Rey, PR 00926

ALL VENDOR QUESTIONS CONCERNING THE RFP AND COMPETITIVE PROPOSAL PROCESS SHOULD BE IN WRITING AND EMAILED TO: ERATEPROPOSAL@DE.GOBIERNO.PR

THIS RFP, ALL ATTACHMENTS AND CLARIFICATIONS/ADDENDA ARE AVAILABLE FOR DOWNLOAD AT: [HTTP://DE.GOBIERNO.PR/ERATE2014](http://DE.GOBIERNO.PR/ERATE2014).

P.O. Box 190759-0759
San Juan, Puerto Rico 00919-0759
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FORM 9 – W-9 Request for Taxpayer Identification Number and Certification

APPENDIX VII:	E-RATE COMPLIANCE REQUIREMENTS
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RFP NO: WAN/INTERNET-OSIATD-2014-001
REQUEST FOR PROPOSALS FOR
E-RATE FY2014 WIDE AREA NETWORK AND INTERNET SERVICES

December 20, 2013

TO PROSPECTIVE PROPOSERS:

The Commonwealth of Puerto Rico Department of Education (the "Department") is requesting proposals for Wide Area Network and Internet services pursuant to the above-referenced Request for Proposals (the "RFP") and the E-Rate Form 470 posted on the Universal Service Administrative Company, Schools and Libraries Division website concurrently with the release of the RFP. The RFP and vendor selection process are being conducted in accordance with the E-Rate Procurement Guidelines established by the Department for E-Rate contracts, which guidelines are posted on the Department's website at <http://de.gobierno.pr/erate2014>. Notice of the RFP was published in the El Nuevo Dia newspaper (Spanish) and the Primera Hora (Spanish) newspaper on December 13, 2013.

Vendors are requested to propose Wide Area Network and Internet services to be provided under the direction of the Office of Information Systems and Technology Support for Teaching for all of the Department's schools and non-instructional facilities during the term of the awarded contract. Each proposal must be in the format specified in the RFP, must include all of the required submittals specified in the RFP and be submitted by the deadline set forth on the cover page of the RFP. In addition, vendors are invited to participate in a pre-proposal vendor conference on Thursday, January 16, 2014. All vendors are required to submit Letters of Intent to Submit a Proposal as specified in the RFP. The Department intends to award a four-year contract to one (1) or more vendors selected to provide services for E-Rate Funding Years 2014, 2015, 2016, and 2017, with one, 1-year renewal option.

On behalf of the Department, we encourage qualified vendors to respond to the RFP and thank you in advance for your interest in providing technology services to our schools.

Sincerely,

MARIBEL PICO PIERESCHI
Chief Information Officer

I. ABOUT THE PUERTO RICO DEPARTMENT OF EDUCATION

1. OVERVIEW

The Puerto Rico Department of Education (the “Department” or “PRDE”) is the government agency that directly runs and operates Puerto Rico’s public school system. Unlike most states, the PRDE acts both as a State Educational Agency (SEA), and as a single Local Educational Agency (LEA). Information concerning the approximate size of the PRDE school system is as follows:

THE PRDE SCHOOL SYSTEM	
Students:	423,934
Schools:	1,455
Teachers:	31,600
Employees (including teachers):	70,000
Educational Regions:	7
School Districts (within the Regions):	28

2. TECHNOLOGY PLAN

A. OVERVIEW OF THE PLAN

As the third largest public school system in the United States (based on student enrollment), the Department faces significant challenges, and sees technology as one important tool to help meet those challenges. About 300 of the schools do not currently meet the minimum standards to receive E-Rate funding, due to inadequate electrical power, security and other issues. Where student technology access is available, it is often in a traditional “computer lab” setting rather than integrated into the everyday classroom curriculum. There is a broad consensus that Internet bandwidth is currently inadequate, not only in the schools, but also in the regional offices, district offices and to a lesser extent, at the Department headquarters.

The Department has drafted a new multi-year technology plan (the “Technology Plan”) to be approved by the U.S. Department of Education prior to the start of E-Rate Funding Year 2014. The Technology Plan, which is required to access Priority 2 E-Rate funding, outlines how the Department intends to meet these and related challenges by leveraging newer technologies in better ways to improve educational outcomes significantly over the next three (3) to five (5) years.

The Technology Plan has been prepared at a time when several significant trends are converging to galvanize a change in education, including major shifts in how educators think about and deploy technology to enhance student achievement. Some examples of these include the rapid adoption

of mobile devices and tablets at an unprecedented rate because smaller devices take less space in the classroom, use less power and are more student-friendly. Within five years, the norm for educational computing will be a 1:1 ratio of mobile computing devices to users.¹ Also, the adoption of “cloud-based” computing, or moving “everything” – from educational software applications, to multimedia content, to standardized assessments, to student work – out to the Internet, is popular because of its convenience and also since it reduces the need for schools use highly skilled IT labor to manage file servers and disk images, which thereby cuts IT costs. Both of these new technology measures require *much* higher bandwidth Internet connections.

In addition, President Obama’s recently announced ConnectED initiative (also known as “E-Rate 2.0”) sets a five-year goal of high speed connectivity for all schools, which reflects a widespread recognition of these new educational trends.² The Department embraces these trends and changes in technology and utilizes this RFP to leverage the technology needed to provide a quality education to every child. The Technology plan and RFP are closely related as the RFP solicitation must mirror the technology goals of the Technology Plan, ensuring that it is requesting the appropriate equipment and services in order to meet the needs of the Department. Specifically, the RFP bases much of what it is soliciting for bids on the Technology Plan Infrastructure, or Element 3 of the Technology Plan, where it discusses a needs assessment of telecommunication services, hardware, software, Internet connectivity and its distribution and other services that will be needed to improve education.

B. WIDE AREA NETWORK (WAN)

All schools, district offices and regional offices connect to the Internet using a “hub and spokes” topology, with PRDE headquarters at the center. There are no separate, direct connections among schools, but Wide Area Network capabilities are achievable through routers residing at PRDE’s main data center.

PRDE operates an integrated Internet/WAN solution. While mainland school districts often contract separately for Internet service and data transport (linking schools both to the Internet and to each other through wide-area networks), PRDE has engaged a single vendor to provide both services as an integrated, centralized network. The online status of every school is constantly monitored by OSIATD personnel at headquarters, so that outages can be noticed and responded to quickly.

PRDE maintains one general-purpose, high-capacity connection to the outside Internet (currently 1 Gbps, expandable) and one secondary, lower-capacity connection (currently 100 Mbps) for certain administrative functions. PRDE distributes the primary Internet bandwidth to individual schools using various technologies: most are copper-based asynchronous digital subscriber loop [ADSL] or frame relay links. Currently, most schools have 2-3 Mbps download speeds (via DSL) and some have 5 or 10 Mbps download speeds from PRDE. On the DSL

¹ “5 K-12 Ed Tech Trends for 2012,” <http://thejournal.com/articles/2012/01/10/5-k-12-ed-tech-for-2012.aspx>.

² The E-Rate 2.0 goal is to provide 100 Mbps per 1000 students, initially, with 1 Gbps per 1000 students, for 99% of U.S. students, within five years.

links, uploads are slower, typically in the 768 Kbps range. The 83 21st Century schools have long haul, single mode fiber and/or microwave connections to PRDE.

PRDE uses the following policy to manage Internet service upgrades for schools: when utilization exceeds 75% of available bandwidth, a school is permitted to upgrade to the next bandwidth level. This creates a dilemma in that school personnel are reluctant to add end-user devices, due to limited bandwidth. This conservative policy may need to be modified in the future to allow for a more pro-active model (increasing bandwidth first, in anticipation of planned equipment acquisitions and greater integration into the curriculum).

C. INTERNET ACCESS

PRDE's plan for Internet access is to track President Obama's ConnectED initiative: within five years, 99% of public schools should provide 1 megabit per second [1 Mbps] per student. Assuming a 1:1 ratio of devices to students, also a five-year goal for PRDE, a typical school with 1,000 students would be connected at 1 gigabit per second [1 Gbps], readily achievable with current-generation fiber-optic technology.

Realistically, for the island of Puerto Rico, this ultimate goal may take longer than five years to achieve. An interim goal is for each school to have a minimum 10 Mbps connection, increasing over time as enrollment and usage increases, and based on grade level, with 99% of typically-sized schools to be connected at 100 Mbps within five years, providing 0.1 Mbps to each student. Every school will have fast, reliable Internet, initially 10 Mbps per 1000 students, 100 Mbps per 1000 students within the scope of the plan (eventually 1 Gbps per 1000 students), using fiber or other 99.9% reliable technology.

D. WEB HOSTING AND EMAIL

PRDE email and web hosting are managed internally by OSIATD and are not included in the services being requested under this RFP.

E. CELLULAR SERVICE

Currently, PRDE does not, in general, issue cellular phones to its personnel. During the E-Rate funding year 2013-2014 however, PRDE contracted for cellular service for approximately 85 devices for eligible purposes. Current thinking is that hand-held devices should be provided to approximately 50 administrative staff, with Internet connectivity, but no voice services.

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II. GENERAL INVITATION

1. OBJECTIVE

The Department is requesting proposals pursuant to **RFP No: WAN/INTERNET-OSIATD-2014-001** entitled “**Request for Proposals for E-Rate FY2014 Wide Area Network and Internet Services**” (hereinafter, this “RFP”). The services described in this RFP shall be performed on behalf of the Office of Information Systems and Technology Support for Teaching (“OSIATD”) for all of the Department’s schools and non-instructional facilities identified on **APPENDIX I** (PRDE Schools and Non-Instructional Facilities) attached hereto and incorporated herein by reference. Vendors may respond to all or part of the services being requested. The Department intends to enter into a four (4) year contract with a one-year renewal option, with one (1) or more service providers for the services requested in this RFP.

2. E-RATE PROCUREMENT GUIDELINES

This RFP is issued pursuant to, and the competitive proposal process will be governed by, the E-Rate Procurement Guidelines (the “Procurement Guidelines”) approved by the Secretary of Education for E-Rate competitive proposals. The Procurement Guidelines are posted on the PRDE website at: <http://de.gobierno.pr/erate2014>. Certain provisions of Procurement Guidelines are set forth in this RFP, but proposing vendors are required to review the full Procurement Guidelines and acknowledge and agree to comply with all of the terms and conditions thereof. To the extent any provisions in this RFP are found to be inconsistent with specific provisions of the Procurement Guidelines, the provisions of the Procurement Guidelines shall control.

Any challenge to this RFP and/or the competitive proposal process described herein for the 2014 E-Rate Funding Year must be submitted to the Assistant Secretary of General Services within three (3) business days of the release of this RFP. The form and content of any challenge must be as set forth in Regulation 3241 (Regulation of the Board of Review, June 1985), which is posted on the PRDE website at: <http://de.gobierno.pr/erate2014>. Unless a vendor files a challenge within the stated timeframe, the vendor shall be deemed to accept and agree to be bound by the terms and conditions of this RFP and the competitive proposal process established for E-Rate FY2014.

3. VENDOR ELIGIBILITY

To be eligible for an award, each vendor must meet the following prerequisites:

- A. Be Listed in the Bidders Registry. The vendor must be listed in the Bidders Registry of the Government of Puerto Rico (“Bidders Registry”) and submit an Eligibility Certificate with its proposal.
- B. File a Letter of Intent. The vendor must submit a letter stating its intent to submit one or more proposals in response to this RFP (“Letter of Intent”). The Letter of Intent shall be in the format set forth in **APPENDIX VI** (Proposal Submittal Forms – FORM 8), and must be delivered to the PRDE by the deadline indicated on the cover page of this RFP.

- C. To Propose for WAN Services. be a Telecommunications Carrier. Any vendor that wishes to respond to the wide area network services requested in this RFP must be a telecommunications carrier that offers telecommunications services on a common carriage basis.

A service provider may propose both as a joint venture and independently as a single proposer. If a joint venture response is rejected, no firm which has participated in the joint proposal can be considered to provide the requested services and products unless the provider has submitted a separate proposal. If a proposer operates as a partnership, joint venture, sole proprietorship, limited liability company, or corporate entity under an assumed name, the proposer must follow the registration requirements of applicable local, state, federal laws.

Participating vendors must also have a valid Service Provider Identification Number ("SPIN") and Federal Communications Commission Registration Number.

If awarded a contract, the selected vendor will be required to accept the award in writing and execute a contract containing, among other things, the general terms and conditions set forth in Section IV of this RFP. In the event the vendor and the Department fail to reach agreement as to the terms and conditions of the contract, the vendor's award of the Contract shall be revoked by the Department.

4. PRDE RIGHTS

The Department reserves the following rights with regard to this RFP, without limitation:

1. Reject any or all proposals;
2. Amend this RFP;
3. Correct errors in this RFP;
4. Cancel the entire RFP or reduce the scope of services;
5. Extend the deadline for submitting proposals;
6. Issue one (1) or more subsequent RFPs for the same services;
7. Appoint an evaluation committee to review proposals and make vendor selections;
8. Seek the assistance of technical experts to review proposals and make recommendations;
9. Seek the assistance E-Rate experts to assist with E-Rate program questions, processes, eligibility, and cost allocations during the procurement process;
10. Invite one or more vendors for presentations and negotiations after review of proposals;
11. Negotiate with any, all, or none of the vendors;
12. Solicit best and final offers (BAFO) from all, some or none of the proposers;
13. Award a contract to one (1) or more vendors;
14. Award a contract without discussions or negotiations;
15. Investigate the qualifications of any vendor under consideration, require confirmation of information furnished by a vendor and require additional evidence of qualifications to perform the services or supply the products described in this RFP
16. Investigate the qualifications of proposers and any subcontractors proposed by vendors;
17. Confirm vendor understanding of, and experience with, the E-Rate program;
18. Accept other than the lowest priced proposal;

19. Waive informalities and irregularities in proposals;
20. Disqualify vendors for non-responsiveness or proposal deficiencies;
21. Award a contract for longer or shorter terms and/or with options to renew;
22. Renegotiate or revise the contract based upon SLD/USAC rule changes prior to and/or after the award of the contract;
23. Disqualify proposals if there is evidence of collusion with intent to defraud or other illegal practices on the part of any proposers;
24. If any vendor selected for award refuses to execute the contract arising from this procurement, the Department shall have the right to order the execution of the Proposal Guarantee (Bid Bond) in order to cover the difference between the vendor's cost and the cost proposed by the next qualified vendor, as well as to cover other damages and direct expenses of the Department;
25. Terminate the awarded Contract at any time, with or without cause, before or after the SLD/USAC's funding decision;
26. Refrain from applying for E-Rate funding for any services proposed under this RFP; and
27. Exercise any other right or take any other action allowed by law.

5. COMPETITIVE PROPOSAL SCHEDULE AND VENDOR QUESTIONS

A. Timeline

The PRDE intends to follow the schedule set forth on the cover page of this RFP, which is incorporated herein by this reference.

B. RFP Questions

Vendors may submit questions concerning this RFP to the Department in writing by email on or before on or before the deadline set forth on the cover page of this RFP. Questions should be emailed to erateproposal@de.gobierno.pr. Responses to questions submitted by the deadline will be answered at the Pre-Proposal Vendor Conference and posted on the PRDE website at <http://de.gobierno.pr/erate2014>. Specific questions pertaining to the RFP that are received after the deadline will not be answered.

C. Other Vendor Questions and Communications

During the competitive proposal period, general E-Rate questions and/or general requests for information or clarification concerning the Department's procurement process must be in writing and emailed to erateproposal@de.gobierno.pr. All responses will be emailed to the requesting vendor and posted on the PRDE website at <http://de.gobierno.pr/erate2014>. Oral responses or clarifications made by any PRDE employee will not be binding on the Department.

6. PRE-PROPOSAL VENDOR CONFERENCE

Vendors are invited to attend a Pre-Proposal Vendor Conference to be held on the date and at the location specified on the cover page of this RFP. Vendors are strongly encouraged to review the Procurement Guidelines and this RFP (including all attachments) very carefully prior to the

conference. Responses to questions submitted by the deadline will be distributed and discussed at the Pre-Vendors are responsible for all of their costs associated with their participation in the Pre-Proposal Conference.

7. THE PRDE E-RATE PROGRAM

The Department's E-Rate program is administered by OSIATD under the direction of the Chief Information Officer.

PRDE BILLED ENTITY NO. (BEN):	157779
PRDE E-RATE DISCOUNT:	90%

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III. REQUESTED SERVICES

1. PRDE SCHOOLS AND NON-INSTRUCTIONAL FACILITIES -- ELIGIBILITY

The Department's WAN consists of approximately 1461 schools and 62 administrative facilities. Of the total entities/sites, approximately 1185 schools and 60 administrative facilities meet the E-Rate requirements for funding eligibility. The remaining 276 schools and 2 non-instructional facilities ("NIFs") are currently not eligible for E-Rate services, or are receiving services outside of the Department's E-Rate program.

One of the key goals of the Department's Technology Plan is to bring as many of the ineligible schools and NIFs up to eligibility as soon as possible. Accordingly, the Department has structured this RFP and the FY2014 competitive proposal process to ensure that E-Rate funding is available for the additional schools and NIFs that become eligible during the term of the contract. First, all of the Department's schools and NIFs (eligible and ineligible) are being competitively bid as part of FY2014. Specifically, this RFP, and the Form 470 posted in connection with this RFP, include all of the Department's schools and NIFs, which will avoid the Department having to engage in a new competitive bidding process each year of the contract as schools and NIFs become eligible. Second, the Department will file separate applications or FRNs each year for all of its then ineligible schools and NIFs. By including all locations in the FY2014 competitive bidding process, the Department will preserve funding for entities upgraded to meet eligibility standards during the term of the contract and also ensure that services will be delivered to both its eligible and ineligible entities/facilities for the same cost-effective pricing.

2. REQUESTED SERVICES

The Department is requesting proposals for (a) a high speed, state-of-the-art data communications Wireless Area Network ("WAN") to connect its schools and NIFs to the Department's data center, (b) high speed Internet services (including basic firewall and load balancing services) and (c) mobile Internet data services for 50 devices. The specific requirements for the requested services are outlined in the Service Requirements attached hereto as **APPENDIX II** (Service Requirements) and incorporated herein by reference.

The Department expects proposed services to meet the preliminary bandwidth requirements set forth in this RFP, as well as future requirements that will allow the enhancement of educational and administrative activities at all of PRDE locations. Vendor proposals must include the service descriptions set forth in the Service Requirements attached to this RFP as **APPENDIX II** (Service Requirements).

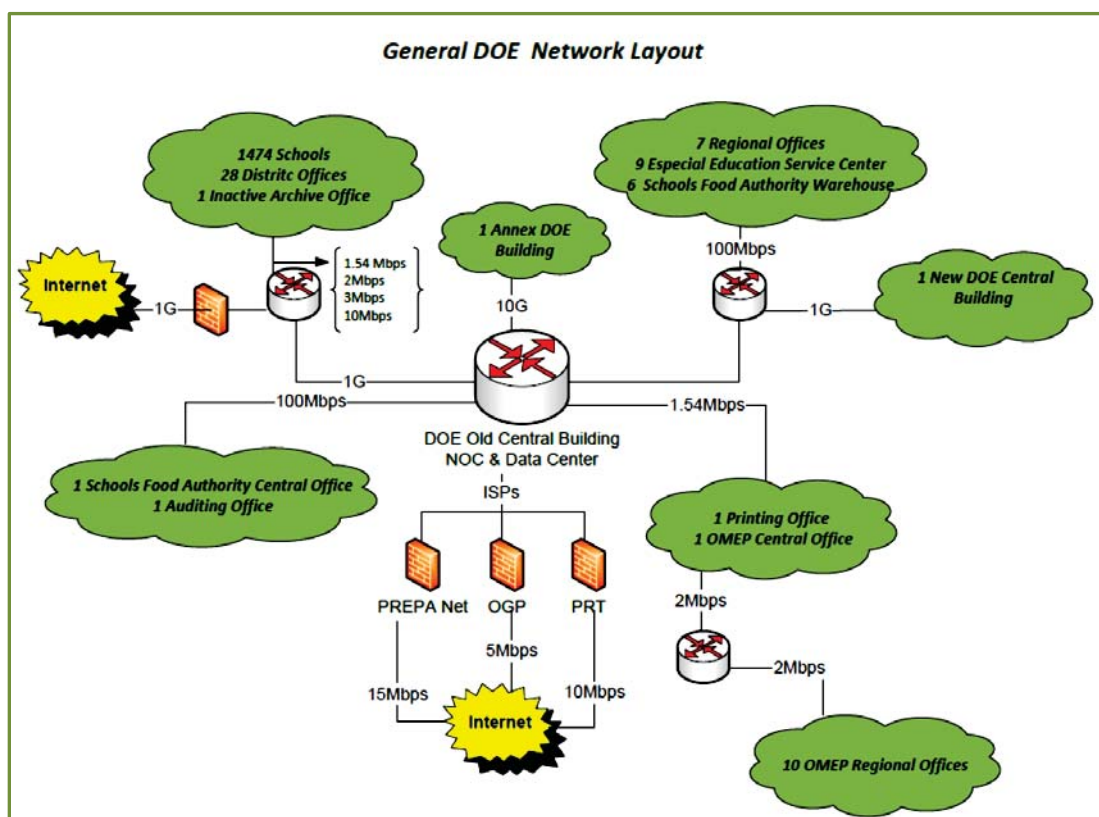
3. CURRENT NETWORK INFRASTRUCTURE

- A. Wide Area Network. The current PRDE WAN consists of one (1) high capacity connection to the Internet (currently 1 Gbps expandable, to the Department Administration Complex) and one (1) secondary, lower capacity connection (currently 100 Mbps to the Data Center) for administrative

facilities. Internet bandwidth is distributed to schools using various technologies -- copper-based asynchronous digital subscriber loop [ADSL] or frame relay links. Currently, most schools have 2-3 Mbps download speeds (via DSL) and some have 5 or 10 Mbps download speeds from PRDE. On the DSL links, uploads are slower, typically in the 768 Kbps range. The 83 21st Century schools currently have long haul, single mode fiber and/or microwave connections to PRDE.

The Department intends to increase all schools to between 3-5 Mbps or better through its planned FY2013 upgrade, eliminating all DSL and T-1 connections.

Below is a high-level, simplified diagram of the PRDE WAN network.



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The following summarizes the bandwidths expected to be in place at the start of Funding Year 2014:

ELIGIBLE SITES

ENTITY/FACILITY	CURRENT	
	QTY	BANDWIDTH
Schools	679	3 MBPS
Schools	430	5 MBPS
Schools	76	10 MBPS
NIF PRDE Data Center	1	100 MBPS
NIF Department of Educ Admin Complex	1	1 GBPS
NIF Department of Educ Admin Complex - Annex	1	10 GBPS
NIF District Offices (28 Offices – 3 merged with Region; 2 ineligible)	23	3 MBPS
NIF Regional Offices	7	10 MBPS
NIF Food Warehouse Facilities	6	10 MBPS
NIF Special Ed	9	10 MBPS
NIF OMEP	8	10 MBPS
NIF Archive Building	1	1.5 MBPS
NIF Printing Center	1	1.5 MBPS
TOTAL	1241	

INELIGIBLE SITES

ENTITY/FACILITY	CURRENT	
	QTY	BANDWIDTH
Schools	67	1.5 MBPS
Schools	78	DSL
Schools	127	3 Mbps
Schools	4	10 Mbps
NIF – District Office	2	3 Mbps
TOTAL	278	

The chart below depicts the estimated bandwidths the Department expects to achieve during FY2014: Quantities in each category of service are best estimates at this time and may vary slightly. Cost comparisons will be based on these estimates.

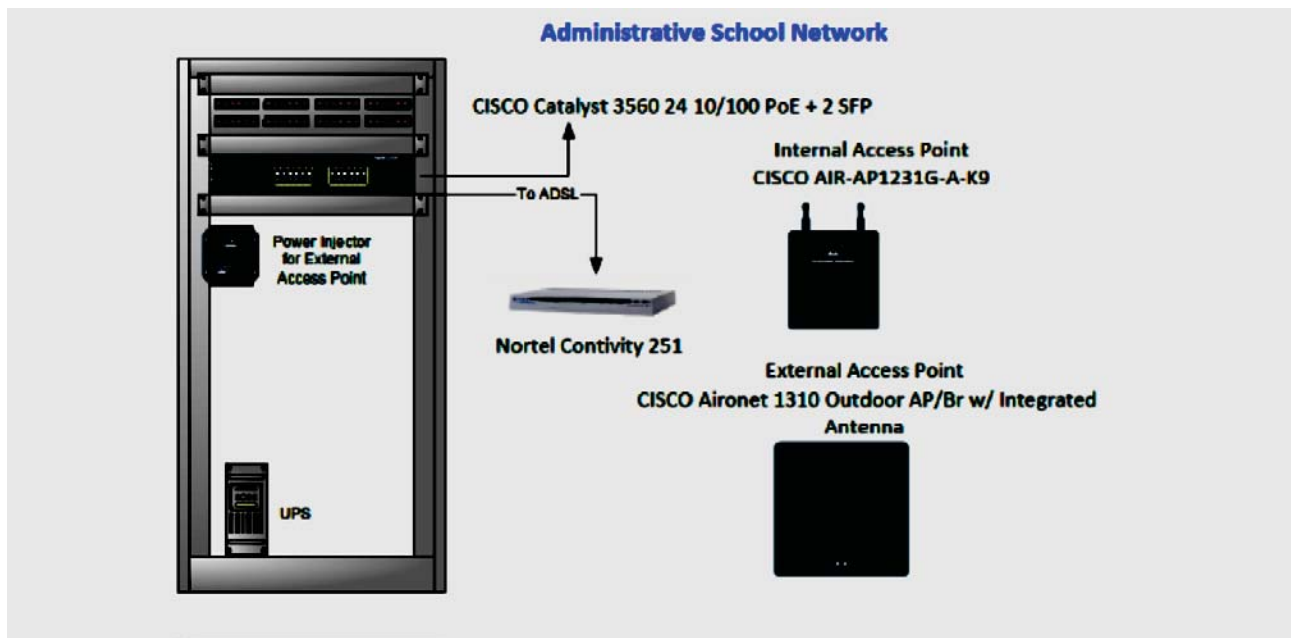
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ESTIMATED FY2014	SCHOOLS			NON-INSTRUCTIONAL FAC.			TOTAL
BANDWIDTH	ELIGIBLE	INELIGIBLE	TOTAL	ELIGIBLE	INELIGIBLE	TOTAL	COUNTS
3 MBPS or Better	0	0	0	23	2	25	25
5 MBPS or Better	4	2	6	1		1	7
10 MBPS or Better	53	18	71	33		33	104
30 MBPS or Better	605	139	744			0	744
50 MBPS or Better	357	76	433			0	433
100 MBPS or Better	165	41	206	1		1	207
150 MBPS	1	0	1			0	1
1 GBPS	0	0	0	1		1	1
10 GBPS	0	0	0	1		1	1
	1185	276	1461	60	2	62	1523

NIF Counts include 2 new Special Ed Facilities

- B. Local Area Networks. The majority of school local area networks (LANs) are currently segmented into two networks, one for administrative areas (e.g., main office), and the other for instructional areas (e.g., classrooms, labs, libraries). Applications supported include Internet browser, time clocks, student information, miscellaneous local school programs, and Department-wide applications (e.g., content filtering). The school networks have various makes and manufacturers of LAN equipment consisting of switches, wireless access points, routers and hubs. The demarcation between the data network and LAN equipment is in the Main Distribution Frame (MDF) room. From the MDF room, the network is connected to various concentrator boxes (C-Boxes) or Intermediate Distribution Frames (IDF). From these C-boxes, the workstations are connected via category 5 or 6 cabling. The classroom, IDF, and main office concentrators may consist of hub(s) and/or switch(s). A sample diagram of a school administrative network is set forth below.

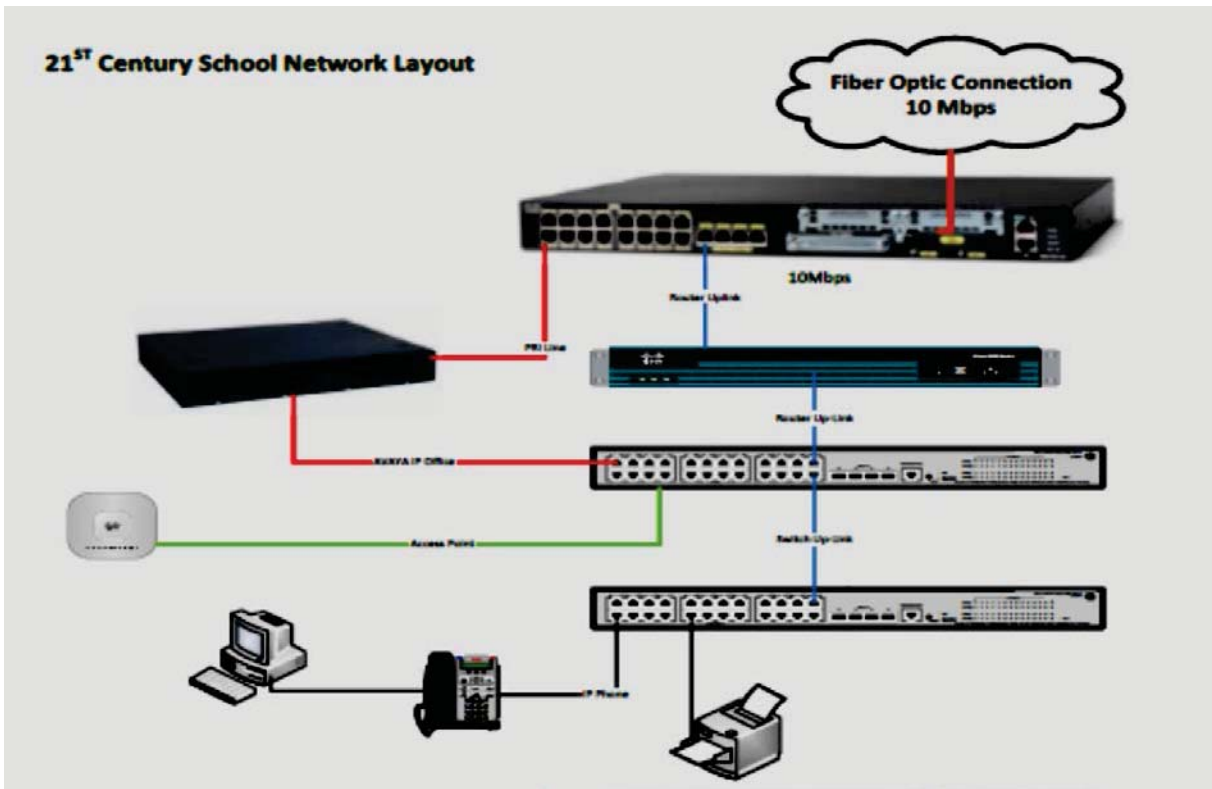
Diagram of typical PRDE school LAN.



NOTE: Specific brands referenced in the diagram above describe equipment that is currently in place. PRDE is seeking the most cost-effective solutions, regardless of brand. When proposing solutions, bidders are encouraged to select the most cost-effective products and services to interface with the Department's existing infrastructure, providing equivalent functionality.

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Diagram of Century XXI school LAN (83 schools)



NOTE: Specific brands referenced in the diagram above describe equipment that is currently in place. PRDE is seeking the most cost-effective solutions, regardless of brand. When proposing solutions, bidders are encouraged to select the most cost-effective products and services to interface with the Department's existing infrastructure, providing equivalent functionality.

4. RULES PERTAINING TO ON-PREMISE EQUIPMENT

The selected vendor must comply with the following E-Rate rules pertaining to on-premise equipment:

1. Same Service Provider. The on-premise equipment must be provided by the same service provider that provides the eligible telecommunications or Internet access service of which it is a part. All parts of this eligible telecommunications or Internet access service must be obtained from a single service provider.
2. Maintenance Is the Responsibility of the Service Provider. The on-premise components must be an integral part of the service provider's infrastructure used to provide the telecommunications or Internet access service, and the service provider must maintain the components as part of the service provided.

3. No Transfer of Ownership or Lease-Purchase Option. The on-site components cannot be owned by the Department at any time, nor can the Department exercise an option (explicit or implicit) to purchase any of the on-site components.
4. Initial Capital Costs Cannot Exceed Certain Thresholds. Upfront reimbursements for the service provider's initial costs for construction or installation must be limited to less than 67% of total charges (initial capital costs divided by all charges of the service over the funding year).
5. On-site Components Cannot Be Used for Any Other Purpose. The on-premise equipment cannot be used by the Department for any purpose beyond the telecommunications or Internet access service being obtained from the service provider.
6. The Local Network Is not Dependent on the Equipment. The internal network at each PRDE site must continue to function without connection to the service provider's on-premise equipment.
7. No Limitation on Sharing of Service Provider Infrastructure. There can be no contractual, technical or other limitation that would prevent the service provider from making their infrastructure available on a shared basis to other customers.

5. SERVICE LEVEL AGREEMENT

Vendors shall include a service level agreement that complies with the requirements set forth in **APPENDIX III** (Service Level Agreement Requirements) with their proposal.

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IV. GENERAL TERMS AND CONDITIONS

1. PROPOSAL (BID) BOND

Each vendor is required to include a proposal guaranty (bid) bond in an amount equal to 15% of the vendor's total four-year price proposal.

2. SERVICE WARRANTY

The vendor shall represent and warrant in the contract that it can and will perform, or cause the services to be performed, in strict accordance with the provisions and requirements of the contract. The services will be performed in a timely, professional and workmanlike manner, in accordance with all applicable industry and professional standards. Such services shall be in compliance with all applicable laws, rules, regulations or orders. If the Department notifies the vendor, or if the vendor becomes aware of any non-performance, error or defect covered by the foregoing warranties, the vendor shall, at its own expense, promptly (but in no event later than thirty (30) days after written notification by the Department) correct such non-performance, error or defect. Any repair or replacement of services, or any portion thereof, will be automatically warranted as provided herein. The vendor will assign to the Department any third-party warranties vendor receives in connection with any services performed under the contract.

3. DOCUMENT SIGNATURES

Vendor proposals and contracts are to be signed on behalf of the vendor by an authorized representative of the bidding entity, stating signer's official relation to, or position with, the vendor. Signatures shall be written in ink. Signatures with rubber stamps, typewriter, computerized or in pencil will not be acceptable.

4. CONTRACT REQUIREMENT

Each vendor agrees that if approved as a provider for the services, the vendor will enter into written contract(s) with the Department pertaining thereto prior to the deadline for the PRDE to file its FY2014 E-Rate applications. The contract will contain, among other terms, the general and specific terms and conditions contained in this Section IV and in Section V of this RFP. All general and specific terms and conditions are subject to change by the Department's legal counsel. In the event the Department and any vendor fail to enter into a contract, the vendor's approval for award will be revoked by the Department.

5. CONTRACT TERM

The Department intends to award a four-year contract, with one (1), one-year renewal option, to one (1) or more vendors for the services requested under this RFP. The initial term of the contract shall commence on July 1, 2014 ("Effective Date") and end June 30, 2018, subject to annual budget appropriation by the Department and unless terminated earlier. In accordance with Section II of this RFP, the Department reserves the right to award a shorter term agreement and/or to include additional voluntary contract renewal options.

6. PERFORMANCE GUARANTY

Vendors that are awarded contracts pursuant to this RFP shall be required to submit a performance bond by a surety company authorized to do business in the Commonwealth of Puerto Rico in an amount equal to 15% of the four-year contract total. The performance bond may also be in the form of an irrevocable letter of credit issued by a financial institution authorized to do business in the Commonwealth of Puerto Rico, or a money order or certified check issued. Money orders and certified checks must be issued to the Commonwealth of Puerto Rico Secretary of Treasury.

7. SERVICE PROVIDER COMPENSATION

Compensation for services performed under the contract shall not exceed the maximum compensation authorized by the Department therein. Unless E-Rate funding is reduced or denied by USAC for any Funding Year of the contract, the PRDE shall only be responsible for its Non-Discounted Portion of E-Rate eligible services and the cost of ineligible services each year. If the SLD/USAC denies all or any portion of requested funding, the PRDE agrees to pay the vendor the contract compensation for the unfunded services delivered prior to the funding denial or reduction, and shall have the option (a) to pay the full cost of the unfunded services for the remaining portion of the funding year, or (b) to terminate or reduce services for the remaining portion of the funding year, upon 30 days' written notice to the vendor. If an E-Rate funding denial or reduction is issued after the end of a funding year, the PRDE agrees to pay the vendor the total contract compensation for the unfunded services delivered during the funding year. If the Department elects to terminate or reduce vendor services as a result of an E-Rate funding denial, the vendor agrees that the Department will not be charged early termination fees and/or penalties.

Payment of compensation shall be based on actual services performed during the term of the contract. The Department shall not be obligated to pay for any services not performed in compliance with the contract. In the event of early termination of the contract, the Department shall only be obligated to pay the compensation due up to the date of termination, unless otherwise agreed by the Department as specified in the immediately preceding paragraph. In no event shall the Department be liable for any costs incurred or services delivered after the effective date of termination as provided herein or the service Delivery Deadline.

8. CONTRACT PRICE ADJUSTMENTS

Subject to potential reductions outlined below, the service provider agrees that the final negotiated pricing set forth in the vendor's contract shall remain fixed for the first two (2) years of the contract. Adjustments to the total compensation payable under the contract shall be subject to the following terms and conditions:

- A. Price Reductions; Service Reductions. The Department reserves the right to amend its contract with the selected service provider to take advantage of lower prices that may be available during the term of the contract. In addition, if at any time during the term of the contract, the service provider offers comparable services to other customers at lower rates than charged under its

contract with the Department, the provider is required to extend the reduced rates to the Department. The Department further reserves the right to reduce services at any time during the term of the contract, without penalty or fee.

- B. Price Increases. The total compensation payable to the service provider may be subject to an increase in contract years 3 and/or 4 if market conditions and vendor costs justify an increase. Any increase requested by the service provider for year 3 and/or 4 of the contract must be submitted to the Department no later than December 31 of the funding year before the proposed increase. Price escalation must be approved by the Department and effected through an executed contract amendment, provided the requested increase is solely to accommodate an increase in the vendor's actual costs, and not to increase the vendor's profits. Any approved increase shall be in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index ("CPI") for All Urban Consumers, Puerto Rico area. The rate increase will be determined by comparing the percentage difference between CPI in effect for the six-month average between the January and June of the preceding year and between the July and December period immediately preceding the E-Rate Funding Year for which the increase is requested. The percentage difference between those two (2) CPI periods will be the maximum price increase rate, so long as no increase in any year exceeds five percent (5%) the prior year's fees. No retroactive contract price increases will be allowed.

9. CONTRACT TERMINATION

- A. Termination for Convenience. If at any time during the Term of the contract, the Department determines, in its sole discretion, that the services provided by vendor are no longer in its best interest, the Department may terminate the contract on thirty (30) calendar day's written notice to vendor. The Department will not pay any early termination charges under the contract.
- B. SPIN Change. If the Department determines that it is in the Department's best interest to retain another vendor to perform the services awarded to the vendor, due to a breach of contract or the inability of the vendor to provide the services, the Department may request a service provider change by filing a change of the service Provider Identification Number ("SPIN") with the SLD/USAC, at any time during the term of the contract. Moreover, the Department may request a SPIN change as may be permitted under the E-Rate rules in effect at the time of the change request. Vendor agrees that it will cooperate with the Department in regard to any transition of services to another service provider as a result of a SPIN change.
- C. Suspension of Services. Ten (10) days after written notice from the Department to the vendor, the Department may request that vendor suspend services in whole or part. The vendor shall promptly resume performance of services upon written notice from the Department and upon such equitable extension of time as may be mutually agreed upon in writing by the Department's Chief Information Officer or their designee, and the vendor. Responsibility for any additional costs or expenses incurred by vendor as a result of resuming performance of service shall be assigned by mutual agreement of the parties.
- D. Vendor Events of Default. Events of default ("Events of Default") include, but are not limited to, the following:

- i. Any material misrepresentation by vendor in its response to the RFP or the contract;
- ii. Breach of any material agreement, representation or warranty made by vendor in the contract;
- iii. Failure of vendor to perform in accordance with or comply with the terms and conditions of the contract or the E-Rate program rules;
- iv. Failure of vendor to pay any non-tax debt owed to the federal government or the FCC in a timely manner, as required by 47 CFR §1.1910, which implemented the requirements of the Debt Collection Improvement Act of 1996;
- v. Default by vendor under any other agreement vendor may have with the Department;
- vi. The directors or officers of the vendor are indicted for the commission of any felony or any misdemeanor that implies corruption or moral depravation, or for any crime against the public treasury, faith or function or that involves public property or funds;
- vii. If any license, permit, franchise or authorization needed by the vendor to carry out its obligations hereunder is suspended, revoked or expired;
- viii. If the termination of the contract is necessary for the protection of the public interest; or
- ix. An assignment by the end or for the benefit of creditors or consent by vendor to the appointment of a trustee or receiver or the filing by or against vendor of any petition or proceeding under any bankruptcy, insolvency or similar law.

10. DEPARTMENT REMEDIES

The occurrence of any Event of Default which vendor fails to cure, or cause to be cured, within thirty (30) calendar days after receipt of written notice given in accordance with the terms of the contract specifying the Event of Default, or if such Event of Default cannot be reasonably cured within thirty (30) calendar days after notice, vendor fails to commence, or cause to be commenced, and continue diligent efforts to cure or cause said Event of Default to be cured, in the sole opinion of the Department, the Department may declare the vendor in default, and give the vendor written notice of the Department's intent to terminate the contract, effective as of the date specified in the notice. After giving written notice to the vendor, the Department may invoke any or all of the following remedies:

- A. Take over and complete the services or any part thereof, either directly or through others. Vendor shall be liable to the Department for any excess costs incurred by the Department. Any amount due the vendor under the contract or any other agreement vendor may have with the Department may be offset against amounts claimed due by the Department in exercising this remedy;
- B. Terminate the contract, effective at a time specified by the Department, in whole or in part, as to any or all of the services yet to be performed and/or if required, select a new vendor and request a SPIN change with the SLD/USAC;
- C. Suspend services during the thirty (30) day cure period if the default results from an action or failure to act by vendor which affects the safety or welfare of students or the Department staff;
- D. Seek specific performance, an injunction or any other appropriate equitable remedy;

- E. Receive from vendor any and all damages, including money damages, incurred as a result or in consequence of, an Event of Default;
- F. Withhold all or part of vendor's compensation under the contract and notify the SLD/USAC to withhold payments that are due or future payments that may become due under the contract; and
- G. Seek any available remedies in law, equity, or by statute if vendor fails to pay any non-tax debt owed to the federal government or the FCC in a timely manner, as required by 47 CFR §1.1910, which implemented the requirements of the Debt Collection Improvement Act of 1996.

11. NO WAIVER

No delay or omission, or series of delays or omissions, by the Department to exercise any right under the contract shall be construed as any type of waiver of any right of the Department to declare an Event of Default in the future. The remedies under the terms of the contract are not intended to be exclusive of any other remedies provided, and each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. The parties acknowledge that this right is solely for the benefit of the Department and if the Department permits the vendor or any of its subcontractors to continue to provide services despite one or more Events of Default, the vendor is not relieved of any responsibilities, duties or obligations under the contract.

12. TURNOVER OF DOCUMENTS AND RECORDS

Upon demand by the Department following termination of the contract for any reason, or following the expiration of the contract by its terms, vendor shall turn over to the Department or its designee within ten (10) business days of demand, all materials, supplies, equipment owned or purchased by the Department, completed or partially completed work, analyses, data, computer disks, documents and any other information pertaining to the contract or the performance or furnishing of services, whether prepared by the vendor or its subcontractors. The vendor shall cause its subcontractors to undertake the same obligations agreed to by vendor under the contract.

13. WORK QUALITY ASSURANCE

The vendor is responsible for the quality of the work and activities of each of its staff and subcontractors, including without limitation, compliance with the terms of the contract and E-Rate requirements. The vendor shall retain and utilize sufficient resources to assure the most effective and efficient performance of services and shall utilize professionals licensed to practice the applicable profession, as required by law or by the contract. The vendor shall use efficient business administration methods and perform the services in the best way and in the most expeditious and economical manner consistent with the best interests of the Department, so as to ensure, among other things, that the services are performed at a reasonable cost to the Department and that the services performed by other entities or persons in connection with the contract are also efficiently and cost-effectively delivered.

14. AUDIT AND DOCUMENT RETENTION

The vendor shall furnish the Department with such information as may be requested relative to the detailed service descriptions (including make, model and quantities), and the delivery and cost of services. The vendor shall maintain all records, correspondence, receipts, vouchers, memoranda and other data relating to vendor's services under the contract for at least five (5) years after the last day of the delivery of E-Rate eligible services under the contract. All such information shall be subject to inspection and audit by the Department, the FCC/SLD/USAC or their agents or representatives. Pursuant to 47 CFR 54.516, the vendor shall be subject to audits and other investigations to evaluate vendor's compliance with the statutory and regulatory requirements of the E-Rate program, including those requirements pertaining to what services are purchased, what services are delivered, and how services are being used. The vendor shall assume responsibility for its subcontractors' compliance with the FCC/SLD/USAC requirements on document retention and auditing. The vendor shall include, in all of its subcontractor agreements for services, provisions requiring subcontractors to maintain the above-described records and allowing the Department or FCC/SLD/USAC or their contractors the same right to inspect and audit said records.

15. CONFIDENTIAL INFORMATION, DISSEMINATION OF INFORMATION, OWNERSHIP, SURVIVAL

- A. Confidential Information. During the performance or delivery of services to the Department, the vendor may have access to or receive certain information that is not generally known to others ("Confidential Information"). The vendor will not use or disclose any Confidential Information or any finished or unfinished originals, documents, screens, reports, writings, procedural manuals, forms, source code, object code, work flow charts, methods, construction documents, processes, data, data studies, briefs, drawings, maps, files, records, computer printouts, papers, notes, designs, equipment descriptions, or other materials prepared or generated as a result of the contract ("Work Product") without the prior written consent of the Department. The vendor shall use at least the same standard of care in the protection of the Confidential Information of the Department as vendor uses to protect its own confidential information, but in any event such Confidential Information shall be protected in at least a commercially reasonable manner.
- B. Dissemination of Information. The vendor shall not disseminate any information obtained in the performance or delivery of services for the Department to a third party without the prior written consent of the Department. Vendor shall not issue publicity news releases or grant press interviews during or after the performance or delivery of the services, except as may be required by law or with the prior written consent of the Department. If vendor is presented with a request for documents by any administrative agency or with a *subpoena duces tecum* regarding any Confidential Information or Work Product which may be in the vendor's possession, the vendor shall immediately give notice to the Department and its legal counsel, with the understanding that the Department shall have the opportunity to contest such process by any means available to it prior to submission of any documents to a court or other third party. The vendor will not be obligated to withhold delivery of documents beyond the time ordered by a court of law or administrative agency, unless the request for production or subpoena is quashed or withdrawn, or the time to produce is otherwise extended. The

vendor will cause its personnel, staff and subcontractors to undertake the same obligations of confidentiality agreed to by vendor under the contract.

- C. Ownership. The vendor agrees that, to the extent permitted by law, any Work Product shall exclusively be deemed “works for hire” within the meaning and purview of the United States Copyright Act, 17 U.S.C. 101§ *et seq.* To the extent any Work Product does not qualify as a “work for hire,” The vendor irrevocably grants, assigns, and transfers to the Department all right, title, and interest in and to the Work Product in all media throughout the world in perpetuity and all intellectual property rights therein, free and clear of any liens, claims, or other encumbrances, to the fullest extent permitted by law. All intellectual property, Confidential Information, and Work Product shall at all times be and remain the property of the Department. The vendor will execute all documents and perform all acts that the Department may request in order to assist the Department in perfecting or protecting its rights in and to the Work Product and all intellectual property rights relating to the Work Product. All of the foregoing items shall be delivered to the Department upon demand at any time and in any event, shall be promptly delivered to the Department upon expiration or termination of the contract within ten (10) business days of demand. In addition, the vendor shall return the Department’s data in the format requested by the Department. If any of the above items are lost or damaged while in vendor’s possession, such items shall be restored or replaced at vendor’s expense.
- D. Injunctive Relief. In the event of a breach or threatened breach of sections (a), (b) and/or (c) above, the vendor acknowledges and agrees that the Department would suffer irreparable injury not compensable by money damages and would not have an adequate remedy at law. Accordingly, the vendor agrees that the Department shall be entitled to immediate injunctive relief to prevent or curtail any such breach, threatened or actual. The foregoing shall be in addition and without prejudice to such rights that the Department may have in equity, or by law or statute.
- E. Survival. The provisions of the contract pertaining to Confidential Information, dissemination of information and ownership shall survive the termination or expiration of the contract.

16. REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The vendor represents and warrants that the following shall be true and correct as of the date of the contract and shall continue to be true and correct (as may be modified from time to time subject to Department approval) during the Term of the contract:

- A. Financially Solvent. The vendor, and each of its subcontractors, is financially solvent, is able to pay all debts as they mature and is possessed of sufficient working capital to complete all services and perform all obligations under the vendor’s proposal(s) and contract. The vendor also warrants that neither it nor any of its subcontractors owe any non-tax debt to the federal government including but not limited, to the FCC.

B. Compliance with Laws.

1. Compliance with False Claims Act. The vendor agrees to comply with all aspects of the Federal False Claims Act which, in general, prohibits: (i) knowingly presenting, or causing to be presented to the Government of the United States a false claim for payment; (ii) knowingly making, using, or causing to be made or used, a false record or statement to get a false claim paid or approved by the Government of the United States; (iii) conspiring to defraud the Government of the United States by getting a false claim allowed or paid; (iv) falsely certifying to the United States the type or amount of property to be used; (v) certifying receipt of property on a document without completely knowing that the information is true; (vi) knowingly buying property of the Government of the United States from an unauthorized officer of the Government of the United States, and, (vii) knowingly making, using, or causing to be made or used a false record to avoid or decrease an obligation to pay or transmit property to the Government of the United States.
 2. Compliance with Other Laws. The vendor guarantees and certifies that the execution of the contract and the performance of services under the contract, shall be accordance with each of the following laws, as may be applicable:
 - a. Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967, and as supplemented by Department of Labor regulations (41 CFR chapter 60),
 - b. The Copeland "Anti-Kickback" Act (18 USC 874) as supplemented in Department of Labor regulations (29 CFR part 3),
 - c. The Davis-Bacon Act (40 USC 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5), and
 - d. Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) (as supplemented by Department of Labor regulations (29 CFR Part 5)).
- C. Unemployment Insurance and Social Security. The vendor certifies that it has paid unemployment insurance, disability, and chauffeurs social security, in all applicable cases; or, that it has a payment plan for payment of those obligations and is complying with such plan.
- D. No Indictments or Convictions. The vendor certifies that it has not been convicted nor accused of any crimes against the public treasury, faith or function or that involves misappropriation or misuse of public funds or property, and that it has not engaged in any practice or behavior of the kind that disqualifies persons or companies from entering into contracts with government agencies of the United State of America and Commonwealth of Puerto Rico. The vendor shall notify the Department of any indictment or conviction for any crime against the public treasury, faith or function or that involves public property or funds during the Term of this Agreement.

- E. Good Standing. The vendor and each of its subcontractors are not in default or have not been deemed by the Department to be in default under any other agreement with the Department during the five (5) year period immediately preceding the date of the contract.
- F. Good Standing with the FCC. The vendor and each of its subcontractors, if any, has not been (a) debarred by the FCC or (b) disciplined by the FCC for any breach of its orders, rules, or regulations. The vendor or its subcontractors agree to promptly notify the Department if, at any time during the duration of the contract, the vendor or its subcontractors have not paid any non-tax debt owed to the federal government or the FCC in a timely manner, as required by 47 CFR §1.1910, which implemented the requirements of the Debt Collection Improvement Act of 1996. If vendor or any of its subcontractors is under investigation by the FCC for any alleged breach of its orders, rules or regulations, vendor waives any rights to confidentiality to any records or materials subject to investigation by the FCC. Upon written request of the Department, vendor will turn over to the Department any documents or materials related to any investigation by the FCC as described above. In all of its agreements for services with its subcontractors, vendor shall include contract provisions which allow the Department the same right to inspect the same records that are subject to an investigation by the FCC.
- G. Code of Ethics. The vendor agrees to comply, and to cause each of its subcontractors to comply, with the dispositions of the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives from Executive Agencies of the Commonwealth of Puerto Rico of Law 84 of June 18, 2002. In conformity with the laws and the norms that govern the contracting of services, the vendor is aware and warrants that no services will be rendered under the contract until it has been signed by both parties. Vendor further agrees and warrants that no services will be rendered under the contract after it has expired or been terminated. Services rendered in violation of this clause will not be paid, and any officer of the Department that requests and accepts services from the vendor in violation of this clause, is without legal authority to so.
- H. Authorization. The vendor has taken all action necessary for the approval and execution of the contract, and execution by the person signing on behalf of vendor is duly authorized by vendor and has been made with complete and full authority to commit vendor to all terms and conditions of the contract which shall constitute valid, binding obligations of the vendor.
- I. No Intellectual Property Infringement. That in performing the services, neither the vendor nor any of its subcontractors will violate or infringe upon any patent, copyright, trademark, trade secret or other proprietary or intellectual property right of any third party, and will not improperly use any third party's confidential information; and shall have, without encumbrance, all ownership, licensing, marketing and other rights required to furnish all materials that it furnishes to the Department under the contract and can grant or assign all rights granted or assigned to the Department pursuant to the contract.
- J. No Legal Actions Preventing Performance. As of the date of the contract, vendor has no knowledge of any action, suit, proceeding, or material claim or investigation pending or to its knowledge threatened against it in any court, or by or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, or before any arbitrator of any kind, that, if adversely determined, would

materially affect vendor's ability, or the ability of its subcontractor(s) to perform its obligation under the contract.

- K. No Conflict with Other Government Contracts. The vendor represents and warrants that the services to be rendered to the Department pursuant to another contract, if any, subscribed with the Commonwealth of Puerto Rico are not in conflict with the services to be rendered under the contract. The vendor further represents and warrants that it does not have any contractual relationships with any other parties that would hamper or impede its ability to perform its duties and obligations under the contract.

17. NO OTHER RIGHTS LIMITED

Nothing in the foregoing warranties will be construed to limit any other rights or remedies available to the Department under the law and the contract.

18. GIFTS AND GRATUITIES PROHIBITED

No gift, gratuity, offer of employment or other item of value was offered or made by the vendor or to the best of vendor's knowledge, by or to any subcontractors, or any of its employees, agents or subcontractors as an inducement for the award of services under the contract. The vendor and each of its subcontractors, is and shall remain in compliance with the FCC's rules governing the conduct of service providers participating in the E-Rate program, including the E-Rate Compliance Requirements set forth in **APPENDIX VII** (E-Rate Compliance Requirements).

19. EMPLOYMENT RESTRICTIONS

During the Term of the contract, and during one (1) full year following the termination or expiration of the same, neither of the contracting parties shall hire as an employee or full time contractor or subcontractor, any employee of the other party.

20. MANUFACTURER WARRANTY

Vendor shall assign to the Department the benefits of any manufacturer warranty of the products and shall cooperate with the Department in securing any and all remedies of such warranty for the benefit of the Department.

21. INDEPENDENT CONTRACTOR

It is understood and agreed that the relationship of vendor to the Department is and shall continue to be that of an independent contractor. Neither vendor nor any of vendor's staff, agents, employees or subcontractors shall be entitled to receive Department employee benefits. It is further understood and agreed that the Department shall not be responsible for, nor incur any liability for, any State or Federal withholding or other taxes or for FICA or State unemployment insurance for vendor, its agents, employees or subcontractors, and the payment of any such taxes incurred or due by vendor shall be the sole responsibility of vendor. The vendor agrees that neither vendor nor its staff or

subcontractors shall represent themselves as employees or agents of the Department. The vendor shall provide the Department with a valid taxpayer identification number as defined by the United States Internal Revenue Code, including, but not limited to, a social security number or a federal employer identification number.

22. INDEMNIFICATION

The vendor agrees to defend, indemnify and hold harmless the Department, and its respective Department members, employees, agents, officers and officials from and against liabilities, losses, penalties, damages and, expenses, including costs and attorney fees, arising out of all claims, liens, damages, obligations, actions, suits, judgments or settlements, or causes of action, of every kind, nature and character arising or alleged to arise out of the negligent or willful acts or omissions of the vendor, its officials, agents, employees and/or subcontractors in the performance of the contract.

The vendor shall, at its own cost and expense, appear, defend and pay all attorney fees and other costs and expenses arising hereunder. In addition, if any judgment shall be rendered against the Department in any such action, the vendor shall, at its own expense, satisfy and discharge such obligation of the Department. The Department shall have the right, at its own expense, to participate in the defense of any suit, without relieving the selected vendor(s) of any of its obligations hereunder. The Department retains final approval of any and all settlements or legal strategies, which involve the interest of the Department.

If vendor, after receiving notice of any such proceeding, fails to immediately begin the defense of such claim or action, the Department may (without further notice to vendor) retain counsel and undertake the defense, compromise, or settlement of such claim or action at the expense of vendor, subject to the right of vendor to assume the defense of such claim or action at any time prior to settlement, compromise or final determination thereof. The cost and expense of counsel retained by the Department in these circumstances shall be borne by vendor and vendor shall be bound by, and shall pay the amount of, any settlement, compromise, final determination or judgment reached while the Department was represented by counsel retained by the Department pursuant to this paragraph, or while vendor was conducting the defense.

The indemnifications set forth herein shall survive the expiration or termination of the contract.

23. NON-LIABILITY OF DEPARTMENT OFFICIALS

The vendor agrees that no Department member, employee, agent, officer or official shall be personally charged by vendor, its members if a joint venture, or any subcontractors with any liability or expense under the contract, or be held personally liable under the contract to vendor, its members if a joint venture, or any subcontractors.

24. INSURANCE REQUIREMENTS

The vendor, at its own expense, shall procure and maintain insurance for all operations under the contract, whether performed by vendor or by subcontractors. The vendor shall submit to the

Department satisfactory evidence of insurance coverage with its proposal(s). The minimum insurance requirements are described on **APPENDIX VI** (Proposal Submittal Forms - FORM 7).

25. NON-DISCRIMINATION

During the Term of the contract and any extension or renewal thereof, the vendor shall not fail or refuse to hire or discharge any individual, or otherwise to discriminate against any individual with respect to compensation, or other terms, conditions, or privileges of employment, because of such individual's race, color, ancestry, religion, sex, sexual orientation, age, handicap, marital status, parental status, military discharge status, or national origin; or to limit, segregate, or classify employees or applicants for employment from equal employment opportunities or otherwise adversely affect an individual's status as an employee because of such individual's race, color, ancestry, religion, sex, sexual orientation, age, handicap, marital status, parental status, military discharge status, or national origin. It is also an unlawful employment practice for vendor or any of its members to subject any Department employee, applicant, participant, student or volunteer to unwelcome sexual advances, requests for sexual favors or conduct of a sexual nature when submission to or rejection of such conduct is: (i) made either explicitly or implicitly a term or condition of such person's employment, participation or receipt of services; (ii) is used as a basis for a decision affecting the individual's employment, participation or receipt of services; or (iii) has the purpose of creating an intimidating, hostile, or offensive working or learning environment.

26. ASSIGNMENT OF CONTRACT

The contract shall be binding on the parties and their respective successors and assigns; provided, however, vendor may not assign the contract or any of its obligations imposed thereunder without the prior written consent of the Department.

27. ENTIRE AGREEMENT; AMENDMENTS

The contract, including all attachments and referenced documents, constitutes the entire agreement of the parties with respect to the matters contained therein. No modification of or amendment to the contract shall be effective unless such modification or amendment is in writing and signed by both parties.

28. CONTINUING OBLIGATION TO PERFORM

In the event of any dispute between vendor and the Department, vendor shall expeditiously and diligently proceed with the performance of all of its obligations under the contract with a reservation of all rights and remedies it may have under or pursuant to the contract at law or in equity.

29. SURVIVAL/SEVERABILITY

All express representations and warranties made or given in the contract shall survive the completion of services by the vendor or its subcontractors, or the termination of the contract for any reason. If any provision or part of the contract is held to be unenforceable, the contract shall be considered

divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects the contract shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

30. GOVERNING LAW

The contract shall be construed in accordance with the laws and regulations of the Commonwealth of Puerto Rico and the United States of America, and any action related to the contract shall be venued solely in San Juan, Puerto Rico and the parties hereby irrevocably submit to the jurisdiction of its corresponding forum.

31. CONFLICT OF INTEREST

In the performance of its services under the contract, the vendor agrees to act in a professional and ethical manner, which includes neither having nor representing any adverse interests to the Department. "Adverse Interests" include the representation of clients that may have or could have interests contrary to the Department or contrary to the public policy of the Department of Education. This duty includes the continuous obligation of disclosing to the Department any relationship of the vendor with clients or third persons that may constitute a conflict of interest. It shall be understood that there exists a conflict of interests when, in the compliance of any duty to third parties, the vendor would have to undertake any acts detrimental to the best interests of the Department, or when for the benefit of another prior, present or potential client, the vendor would have to promote something to which it would otherwise have to be opposed, in favor of the Department. Conflict of interest shall also consist of any conduct which is described or recognized as such in the laws and regulations of the Commonwealth of Puerto Rico. In any case that the Department determines that the vendor has a conflict of interest, it will give written notice to the vendor of such conflict and will give the vendor thirty (30) days to resolve the same. Failure to resolve such conflict will result in the termination of the contract.

32. JOINT AND SEVERAL LIABILITY

In the event that vendor, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination thereof), then, and in that event, each and every obligation or undertaking herein stated to be fulfilled or performed by vendor shall be the joint and several obligation or undertaking of each such individual or other legal entity.

33. TAX OBLIGATIONS

Vendors shall be responsible for complying with applicable federal and local tax laws and regulations.

34. NON-APPROPRIATION

Expenditures not appropriated by the Department in its current fiscal year budget are deemed to be contingent liabilities only and are subject to appropriation in subsequent fiscal year budgets. In the event sufficient funds are not appropriated in a subsequent fiscal year by the Department for performance under the contract, the Department shall notify vendor and the contract shall terminate on the last day for the fiscal period for which funds were appropriated. In no event shall the Department be liable to vendor for any amount in excess of the current appropriated amount.

35. FORCE MAJEURE

Neither the vendor nor the Department shall be responsible for any failure to perform due to causes beyond either's respective reasonable control (each a "Force Majeure"), including but not limited to, acts of God, riots, embargoes, terrorist acts, acts of civil or military authorities, disruptions in the flow of data to or from networks, denial of or delays in processing of export license applications, accidents, strikes, fuel crises or power outages.

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V. SPECIFIC TERMS AND CONDITIONS

1. NO MULTIPLE AWARD STIPULATIONS

Each RFP issued by the Department shall constitute a separate and distinct solicitation, and vendors shall not be allowed to condition their proposal and/or pricing with respect to one (1) RFP on an award of services under any other PRDE RFP. Any vendor that attempts to make one of its proposals contingent upon the award of a contract on another proposal may be deemed non-responsive and immediately disqualified from further consideration under any proposal.

The Evaluation Committee shall contact any vendor that submits a proposal containing such a multiple award stipulation and give them an opportunity to waive in writing said stipulation within a specified period of time following receipt of a waiver request from the Evaluation Committee. Any vendor that fails to waive said condition or fails to respond within the specified period shall automatically be disqualified from consideration of a contract award under any proposals covered by said stipulation.

2. LIMITED VENDOR CONFIDENTIALITY RIGHTS

The following materials shall be collectively referred to as "Vendor Documents:" (i) proposals, (ii) pricing, (iii) correspondence (including letters, notices and emails), (iii) and any other documentation or information not clearly marked as confidential or proprietary. All Vendor Documents shall become the exclusive property of the PRDE.

Vendors shall be instructed that they may only mark or classify trade secrets and financial information in their proposals as confidential or proprietary, and that any portion of their Vendor Documents marked as confidential or proprietary that do not fall within these exceptions shall be subject to the following:

- A. Disclosure, duplication, publication, and transmission deemed by the Department as necessary or appropriate to comply with document requests from USAC, the FCC, the U.S. Department of Justice, the Puerto Rico Review Department, the Puerto Rico Department of Justice, any state or federal court with jurisdiction over any matter pertaining to the RFPs or vendor proposals, or upon request of any other governmental or administrative agency
- B. Posting on the PRDE website and/or made available for inspection by participating vendors, if the Evaluation Committee determines said publication is appropriate and facilitates a fully transparent competitive procurement process.

Vendors shall also be advised that the Department may seek indemnification from vendors for any liability, loss, damage, expense, penalty, or cost, including any and all legal fees, sought in every claim or suit of any kind arising out of confidentiality markings or conditions in proposals.

3. VENDOR DISQUALIFICATION DUE TO EVIDENCE OF COLLUSION

The Evaluation Committee shall have the ability to disqualify any vendor in instances where there is proof of collusion or other misconduct with respect to the RFP process.

4. E-RATE RESOURCE

Vendor must retain the services of an E-Rate consultant or have a designated employee familiar with E-Rate program rules, forms and processes, to conduct periodic reviews of the vendor's processes and forms and assist the Department with Beneficiary Audits and ensuring the vendor is full compliance with SLD/USAC and FCC requirements.

5. SLD/USAC PROCEDURE

The SLD/USAC will specify in the FCDL the approved discount level and the approved funding amount of all eligible services. Once the FCDL has been issued and the service has begun, the PRDE will then submit FCC Form 486 to the SLD/USAC. The SLD/USAC will subsequently issue a Form 486 Receipt Notification Letter to both the PRDE and the vendor. The PRDE will separately notify vendor when to begin to provide the eligible E-Rate service, if the services are not already being provided at the time the FCDL is issued. Form 486 cannot be filed before receipt of the FCDL from the SLD/USAC.

The PRDE will notify vendor of its intent to order all or a portion of the services covered by one or more of the approved funding commitments included in the FCDL.

6. VENDOR E-RATE REPRESENTATIONS AND WARRANTIES

Vendor represents and warrants that it shall provide the SLD/USAC with truthful and accurate information about its invoices promptly upon request by the SLD/USAC. Vendor also represents and warrants that it has carefully identified components of the services that are Eligible E-Rate services. Further, through internal audit and review of the services rendered during the Term of the contract, Vendor represents and warrants that it will ensure that the services being provided through the E-Rate Program are limited to Eligible E-Rate services.

Notwithstanding the foregoing, the vendor is solely responsible and liable for compliance with all SLD\USAC procedures and requirements by its subcontractors, including but not limited to SLD\USAC requirements for submitting Form 474. Vendor is also solely liable for repayment to the SLD\USAC of E-Rate discount funding paid improperly as a result of vendor's failure to follow SLD\USAC procedures and requirements and/or improper billing by the vendor. The PRDE is not liable for any delays in payment by the SLD\USAC to vendor.

7. E-RATE INVOICING

By responding to this RFP, each vendor agrees that, if selected, the vendor shall abide by the following:

- A. Throughout the term of the contract, vendor will invoice the Department only for the Department's 10% Non-Discounted portion of the cost of services provided pursuant to this RFP, and will invoice USAC for the 90% Discounted portion of the cost of the services on FCC Form 474 (Service Provider Invoice).
- B. The selected vendor must comply with the E-Rate invoicing procedures set forth in **APPENDIX IV** (E-Rate Invoicing Requirements).
- C. The vendor will conduct a year-end program and financial compliance review of its E-Rate activities for each year of the contract. The annual compliance review shall include, but not be limited to:
 - i. Billing and invoicing to the PRDE and the SLD/USAC; and
 - ii. Proof of delivery, installation and operation (when applicable) of E-Rate Eligible services within the applicable E-Rate Service Delivery Deadline.

Vendor shall also meet with representatives of the PRDE to discuss and address audit findings following completion of the year-end audit and otherwise as requested. The purpose of the meetings is to determine if adequate documentation is available to support all expenditures and to ascertain if expenditures submitted to the PRDE are indeed eligible for E-Rate discounts. Vendor must complete year-end program and financial audits throughout the Term of the contract. The PRDE will not reimburse for expenses related to costs incurred by the vendor to meet the auditing requirements of the contract and/or the FCC/SLD/USAC in any matter. Vendor shall make its resources, including its E-Rate resource, available for any reviews or audits that are conducted by the PRDE or any third-party auditors at no additional costs to the PRDE.

8. TIME OF PERFORMANCE

- A. During the Term of the contract, vendor shall complete all of its obligations to the PRDE under the contract within the time for performance. The time for performance shall commence from the issuance of the PRDE's purchase order and end by the Service Delivery Deadline, unless the PRDE agrees to an extension in its sole and absolute discretion and the SLD/USAC approves such extension, or such other date as may be authorized by the PRDE. If vendor's failure to complete its obligations under the contract by the Service Delivery Deadline causes a reduction in the amount of E-Rate funds payable by the SLD/USAC to vendor, vendor nonetheless remains liable to complete all obligations under the contract at no additional cost to the PRDE. The PRDE has no responsibility to vendor for any reduction in E-Rate funds payable by the SLD/USAC due to vendor's failure to complete its obligations under the contract by the Service Delivery Deadline.

- B. Vendor also shall be liable to the PRDE for liquidated damages for delay or for its failure to perform the work for its failure to complete all of its contract obligations by the Service Delivery Deadline. The amount of liquidated damages for each such failure by the vendor shall be assessed on a fixed amount basis as described in the contract. The PRDE and vendor further agree that the imposition of liquidated damages is a reasonable measure of the PRDE's damages. Vendor agrees to pay such amounts as fixed, agreed and liquidated damages, and not by way of penalty, to the PRDE and further authorizes the PRDE to deduct the amount of damages from money due the vendor under the contract. If the monies due to vendor are insufficient or no monies are due to vendor, then the vendor shall pay the PRDE the amount(s) within thirty (30) calendar days after receipt of a written demand by the PRDE.
- C. Notwithstanding the foregoing, failure by the PRDE to assess liquidated damages in any particular instance shall not preclude, or constitute a waiver, of the PRDE's right to assess such damages at a later time, or on a subsequent occasion. The PRDE's right to assess liquidated damages shall not preclude the assertion of, or be exclusive of, any other available remedy, including the right to terminate the contract, in whole or in part, or the right to seek damages for an unspecified amount for other failures to perform under the contract. The PRDE may assess liquidated damages in the amounts set out in the contract on a per occurrence basis.
- D. Liquidated damages will not be assessed if an occurrence set forth above results from "Force Majeure" as set forth in the General Terms and Conditions.

9. EXCLUSION OF LIABILITY FOR E-RATE FUNDING

The PRDE shall have no liability for the payment of invoices, costs, charges or fees billed by vendor or its subcontractor(s) for:

- A. The Discounted Portion of E-Rate Eligible services;
- B. Costs of E-Rate Eligible services not authorized in writing by the PRDE;
- C. Costs related to delays by the SLD/USAC in reimbursing vendor for the Discounted Portion of E-Rate Eligible services;
- D. Costs of services declared ineligible by the SLD/USAC, unless otherwise specifically authorized in writing by the PRDE;
- E. Costs related to upgrading, maintaining or programming billing systems to meet the PRDE's E-Rate reporting requirements;
- F. Costs related to reimbursement of legal expenses in order to provide E-Rate services to the PRDE;

- G. Costs related to the vendor failing to meet certain deadlines as provided in the contract or by the SLD/USAC including, but not limited to, costs relating to (i) missed Service Delivery Deadlines for the installation and delivery of E-Rate Eligible services and (ii) submission of invoices past the allowable E-Rate deadlines as determined by the SLD/USAC; or
- H. Costs for the Discounted Portion of E-Rate Eligible service which were initially paid to vendor by the SLD/USAC, but which were subsequently rescinded by the SLD/USAC under a COMAD. Vendor shall be solely responsible for meeting a COMAD demand payment made by SLD/USAC.

10. CHANGE IN ADMINISTRATION OF THE E-RATE PROGRAM

If the federal government chooses another entity to administer the E-Rate Program, the terms "SLD/USAC" and "USAC" contained in the contract shall refer to the new administrator of the E-Rate Program.

11. ACCOUNT MANAGEMENT

Vendor shall provide an account manager as a single point of contact for all issues and reporting under the contract. Vendor shall also provide reporting tools related to the PRDE's purchasing of services from the vendor.

12. VENDOR NOT AN AUTHORIZED REPRESENTATIVE OF PRDE

Vendor understands and agrees that vendor is not an authorized representative of the PRDE and that all Department decisions and actions must be made by authorized PRDE employees.

13. KEY PERSONNEL AND SUBCONTRACTORS

Any key personnel of the vendor or any of its subcontractors assigned to provide services to the Department and who are listed in the contract ("Key Personnel") will continue to provide services to the Department for the Term of the contract, unless the Department requests that the Key Personnel be removed or if the Key Personnel resigns or is dismissed, or upon loss/removal of a Key Personnel due to illness, disability or death. Vendor shall notify the Department promptly after any Key Personnel resigns or is dismissed, or upon loss or removal of any Key Personnel due to illness, disability or death. Before the assignment of any Key Personnel or the replacement of any Key Personnel, vendor will provide the Department, upon the Department's written request, with the resume of the prospective Key Personnel, an opportunity to interview such individual or individuals, and will obtain the written consent of the Department's authorized representative to the assignment of such individual as a Key Personnel.

Key Personnel assigned to perform vendor's obligations under the contract shall have experience, training, and expertise equal to personnel with similar responsibilities in the business in which vendor is engaged and shall have sufficient knowledge of the Department's practices and areas of expertise, to enable them to perform their duties and responsibilities under the contract. If the Department

requests that vendor remove any Key Personnel assigned to the Department's account, the parties will attempt to resolve the Department's concerns on a mutually agreeable basis. If the parties have not been able to resolve the Department's concerns within fifteen (15) business days of receipt of written notice of requested removal from the Department, vendor will remove such Key Personnel from the Department's account and provide a replacement in a timely manner.

14. GENERAL SAFETY GUIDELINES

- A. Vendor shall be solely responsible for safety in performing the services. Vendor shall adhere to any and all safety related requests by the Department and the Department's designated representatives, including submission, upon the request of the Department, a copy of vendor's safety manual.
- B. Vendor, both directly and indirectly through its subcontractors, shall continuously protect the Department's property and adjacent property from damage, injury, or loss arising in connection with operations under the contract. Vendor shall make good any such damage, injury, or loss. Vendor is responsible for school site security.
- C. Vendor, both directly and indirectly through its subcontractors, shall take all necessary precautions to ensure the safety of the public and workers in performing the Services, and to prevent accidents and/or injury to any persons on, about, or adjacent to any site where the Services are being performed.
- D. Vendor shall comply with all laws, ordinances, codes, rules, and regulations relative to safety and the prevention of accidents. Vendor, and its subcontractors shall cooperate with any other vendor that may be performing work on a site; such compliance shall include, but be not limited to, OSHA compliance and safety efforts.
- E. In an emergency affecting the safety of life or adjoining property, vendor, without special instructions or authorization from the Department, is permitted to act, at its discretion, to prevent the threatened loss or injury.
- F. Vendor shall protect private and public property adjacent to where the Services are being performed, including all streets, sidewalks, light poles, hydrants, and concealed or exposed utilities of every description affected by or adjacent to where the Services are being performed. If the items are damaged by vendor or its subcontractors, vendor shall make all necessary repairs to or replacements of them at no cost to the Department.
- G. If, in the opinion of the Department, the performance of the Services endangers adjoining property or persons, upon written notice from the Department to the vendor, the services and installations shall be stopped and the method of operation changed in a manner acceptable to the Department. Vendor acknowledges and agrees that it shall be responsible for any financial repercussions resulting therefrom and that service delivery schedules may be postponed as a result thereof.

VI. PROPOSAL FORMAT AND SUBMITTAL REQUIREMENTS

1. PROPOSAL PREPARATION

Proposals are to be prepared in conformance with all the instructions, guidelines, conditions and requirements stated in this RFP. Vendors are expected to examine all documents, schedules and requirements (explicit and implicit) in their entirety, and respond to them completely and accurately. Failure to conform to any RFP condition will be entirely at the vendor's risk, and may render the corresponding proposal non-responsive.

The RFP process is for the PRDE's benefit only, and is intended to provide the PRDE with the information necessary to support the evaluation and selection of the required procurement items. All decisions regarding a particular proposal's level of compliance, evaluation, terms and conditions will be made solely at the PRDE's discretion, and made to favor the PRDE.

Vendors that timely file Letters of Intent are eligible to submit proposals in response to the RFP referenced in their Letters. Proposals must be submitted by the deadlines established in the RFPs. The Evaluation Committee shall not consider any proposals received after the deadline. The names of the companies that submit proposals will be posted on the website. A list of the vendors that timely submit proposals shall be posted on the PRDE website.

Each vendor shall be responsible for all of the costs associated with the preparation and delivery of the vendor's proposal, and shall not, under any circumstances, be entitled to collect proposal preparation or delivery charges from the Department (even in the situation where an RFP is canceled).

2. PROPOSAL FORMAT

Vendor proposals shall be in the format and submitted in the quantities specified in **APPENDIX V** (Proposal Format and Submittal Checklist) attached to this RFP. The failure of a vendor to comply with the quantity and format requirements may result in said vendor being deemed non-responsive.

3. PROPOSAL SUBMITTALS

Each proposal shall include the submittals outlined in this section. For convenience and reference, a Proposal Submittal Checklist is included in **APPENDIX V** (Proposal Format and Submittal Checklist) attached to this RFP. Any vendor that fails to include submittals marked "**Mandatory**" shall be automatically disqualified from consideration for a contract award. Vendor proposals responses shall include each of the following submittals:

A. **TAB 1: Cover Letter**

Vendors shall include a cover letter signed by an authorized representative of the proposer. The cover letter must contain a commitment to provide the services described in the vendor's proposal, and a written acknowledgement to agree to enter into a written contract with the

Department for the services, if selected. The letter shall also include a brief narrative description of the vendor and its service offerings.

B. TAB 2: Proposal Signature Page (Mandatory) – Refer to APPENDIX VI, FORM 1

Each vendor shall execute and deliver a Proposal Signature Page attached to this RFP as **APPENDIX VI** (Proposal Submittal Forms - FORM 1), with their proposal acknowledging receipt of this RFP and RFP addenda (if any), and has reviewed and agrees to abide by the terms and conditions set forth in the Procurement Guidelines and documents and information posted on the PRDE website, and such other materials as shall be specified by the Department. **The failure of a vendor to include a Proposal Signature Page shall result in the automatic disqualification of the vendor from further consideration of a contract award.**

C. TAB 3: Service Proposal – Refer to APPENDIX II

Each vendor submitting a proposal must provide the information outlined in **APPENDIX II** (Service Requirements). The failure to respond fully to each question and information requested in **APPENDIX II** may result in vendor disqualification for non-responsiveness.

D. TAB 4: Price Proposal (Mandatory Form) – Refer to APPENDIX VI, FORM 2

Vendors shall provide a Price Proposal using **APPENDIX VI** (Price Proposal Forms - FORM 2) attached hereto. **Vendors that do not submit pricing on Form 2 shall be automatically disqualified from consideration for a contract award.**

Vendors shall separately identify all federal and state taxes, fees and surcharges, including universal service fees that apply to the proposed services. If a tax or charge is based on a specific percentage, include an estimate of the total charges based on the applicable percentage. Vendor pricing shall be subject to the following terms and conditions:

1. **Best Vendor Rates.** Vendors are expected to propose their very best prices and to the extent possible, reflect any anticipated price reductions from technology advancements and market place efficiencies in their pricing.
2. **Firm Price Commitment.** Each vendor agrees that its pricing shall remain firm and effective for 180 days from the date of submission.
3. **Discounts.** Vendors should clearly identify any education or other discounts being offered to the Department, and are required to apply said discount before entering line item pricing on the price proposal.
4. **Ineligible Services.** Vendors are required to allocate the total proposal costs between eligible and ineligible charges in the space(s) indicated on the applicable Price Proposal Form(s) (APPENDIX VI, FORM 2). Vendors are strongly encouraged to refer to the SLD

website (<http://www.universalservice.org/sl/>) for information on product and service eligibility and cost allocation requirements, including the FY2014 Eligible Services List ("ESL"). A copy of the FY2014 ESL is also available for download on the PRDE website at <http://de.gobierno.pr/erate2014>.

5. No Minimum Service Commitment. Vendor pricing may not be subject to, or contingent upon, a minimum service commitment by the Department,

E. TAB 5: Non-Collusion Affidavit (Mandatory) – Refer to APPENDIX VI, FORM 3

Vendors must include the Non-Collusion Affidavit attached to this RFP as **APPENDIX VI** (Price Proposal Forms – FORM 3), with their proposals, certifying, among other things, that the vendor has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham proposal. **The failure of a vendor to include the Non-Collusion Affidavit shall result in the automatic disqualification of the vendor from further consideration of a contract award.** The failure to comply with the Non-Collusion Affidavit requirement of this RFP cannot be cured.

F. TAB 6: Proposal (Bid) Bond (Mandatory)

Each vendor shall be required to include a proposal (bid) bond with their proposal, which bid bond shall be in an amount equal to 15% of the vendor's four-year price proposal total. The proposal (bid) bond may be in one of the following formats:

- A bid bond issued by a surety company authorized to do business in the Commonwealth of Puerto;
- An irrevocable letter of credit issued by a financial institution authorized to do business in the Commonwealth of Puerto Rico, or
- A money order or certified check issued to the Commonwealth of Puerto Rico Secretary of Treasury.

Vendors who fail to include a proposal (bid) bond with their proposal shall automatically be disqualified from consideration for a contract award. This omission cannot be cured. The Evaluation Committee shall notify vendors disqualified for failure to comply with this requirement, and shall indicate the disqualification in the Notice of Award and Acceptance Agreement as the reason said vendor was not considered for a contract award by the Evaluation Committee.

G. TAB 7: Vendor Questionnaire - Refer to APPENDIX VI, FORM 4

Vendor shall include a completed Vendor Questionnaire Form, which form is attached hereto as **APPENDIX VI** (Price Proposal Forms – FORM 4). The vendor must include a description

of the qualifications of vendor's E-Rate resource/consultant that is familiar with the E-Rate invoice process and submission process to the SLD.

H. **TAB 8: Vendor References – Refer to APPENDIX VI, FORM 5**

Vendor shall include a completed Vendor Reference Form attached hereto as **APPENDIX VI** (Price Proposal Forms – FORM 5), identifying a minimum of three (3) references (other than PRDE) from programs of similar scope and magnitude for which the vendor is providing or has recently provided services similar to the services required herein.

I. **TAB 9 Designation of Subcontractors - Refer to APPENDIX VI, FORM 6**

Any vendor that intends to use one (1) or more subcontractors to deliver all or part of the proposed services shall include a completed Designation of Subcontractors Form attached hereto as **APPENDIX VI** (Price Proposal Forms – FORM 6), identifying all subcontractors the vendor intends to use, describe their experience and skills, and the percentage of work the vendor expects each subcontractor to perform for each service.

J. **TAB 10: Certificate of Insurance Coverage - Refer to APPENDIX VI, FORM 7**

Evidence of current insurance coverage shall be submitted on the form attached as **APPENDIX VI** (Price Proposal Forms – FORM 7) to this RFP. If vendor's current coverage does not meet the requirements stated in this RFP, the vendor shall include a statement of a commitment to acquire the required insurance coverage, should it be awarded a contract for these services.

K. **TAB 11: Copy of Filed Letter of Intent – Refer to APPENDIX VI, FORM 8**

Copy of executed Letter of Intent filed by vendor on or before the filing deadline set forth on the cover page of this RFP.

L. **TAB 12: Disclosure of Recent Legal Actions**

List, and briefly describe, any and all legal actions and any judgments entered in the past three (3) years in which the vendor has been a debtor in bankruptcy, a defendant in a lawsuit for deficient performance under a contract or agreement; a party in an administrative action for deficient performance or a defendant in a criminal action. Vendors must also identify any lawsuits or other legal proceedings and any judgments against them, which directly or indirectly relate to any of the products or services included in their corresponding proposal in the past five (5) years. Indicate **N/A** if vendor has not been involved in any legal actions described above.

The vendor disclosure statement should be dated and signed by an authorized vendor representative, and include the following representation:

The undersigned, after reasonable inquiry and investigation, has no knowledge of any action, suit, proceeding, or material claim or investigation pending or threatened against [name of vendor] in any court, or by or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, or before any arbitrator of any kind, that, if adversely determined, would materially affect [name of vendor]'s ability, or the ability of its subcontractor(s), to perform the services described in its proposal at the prices set forth in its price proposal.

M. TAB 13: FCC Green Light Status Report

Proof that vendor is not on the FCC Red-Light Status (requires FCC Registration Number and documentation from FCC). See <http://www.fcc.gov/redlight/>.

N. TAB 14: Service Level Agreement - Refer to APPENDIX III

The vendor shall include its Service Level Agreement ("SLA") for the services proposed in response to this RFP. The SLA shall define the levels of service expected for the various areas of service performed, divided into priorities according to importance to the supported systems or functions. The SLA shall include all of the information required in **APPENDIX III** to this RFP and incorporated by reference herein. The SLA shall have the full force of contract between the Department and the Proposer.

O. TAB 15: Bidders Registry - Eligibility Certificate

Vendors must include a current Eligibility Certificate evidencing the vendor's inclusion in the Bidders Registry.

P. TAB 16: E-Rate Experience and Resource Qualifications

Describe the qualifications of vendor's E-Rate resource/consultant that is familiar with the E-Rate invoice process and submission process to the SLD/USAC. A resume shall be submitted as part of this submittal.

Q. TAB 17: W-9 Form Request for Taxpayer Identification Number and Certification

Vendors must include a properly completed W-9 attached as **APPENDIX VI, FORM 9**.

R. TAB 18: Financial Statements

Copies of audited financial statements or tax returns signed by the preparer for the three (3) previous fiscal years and the most recent quarterly report shall be provided. Financial Statements shall include auditor's letter of opinion, auditor's notes, balance sheet, and statement of income/loss. Each prime or joint venture partner shall submit this information. The Department reserves the right to accept alternative information and/or documentation submitted by vendor(s).

Any vendor proposing as a joint venture must also include a copy of the executed joint venture agreement with its proposal (Tab 19).

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VII. EVALUATION CRITERIA AND VENDOR SELECTION

This section describes the overall proposal and selection process that the PRDE intends to follow with respect to this RFP.

1. EVALUATION COMMITTEE

An Evaluation Committee is being appointed by the Secretary of Education to review proposals and select a service provider. The Evaluation Committee will be assisted by a team of technical advisers, E-Rate advisers and such other resources as the committee deems helpful and/or appropriate.

2. EVALUATION CRITERIA AND VENDOR SELECTION

The Evaluation Committee will apply the criteria and weights established by the Department for the proposal review and vendor selection. The criteria and weights may be amended by the Department or Evaluation Committee if either deems it to be in the best interest of the Department:

EVALUATION CRITERIA	WEIGHTS
PRICE OF ELIGIBLE PRODUCTS AND SERVICES	35%
Professional qualifications and experience providing proposed services	20%
Responsiveness of proposal to RFP terms, conditions and required submittals, and quality of proposed solutions and products	15%
Quality of proposed Service Level Agreement (SLA)	15%
E-Rate program knowledge and experience	10%
Past performance on contracts with other comparably sized school systems, government agencies or businesses other than PRDE	5%
TOTAL:	100%

3. NOTICE OF AWARD

The Department intends to award a four-year contract to one (1) or more qualified vendors that submit a responsive proposal for the most cost-effective solutions that will meet the Department's needs. The successful vendor(s) will be advised of selection by the Evaluation Committee. In accordance with Puerto Rico law, a Notice of Award and Acceptance Agreement ("Award Letter") shall be sent to the winning vendor(s) within three (3) business days of the vote of the Committee. The Award Letter shall include a summary of all vendor pricing, technical adviser findings and recommendations, the Evaluation Committee voting records, the reasons the winning vendor(s) was/were selected, the reasons losing proposals were not selected (including any vendor disqualifications), information concerning the review/appeal process, and such other information as shall be deemed necessary or appropriate by the Evaluation Committee. Copies of the Award Letter shall also be mailed to all other vendors that submitted proposals in response to this RFP. The winning vendor(s) shall be required to acknowledge acceptance of the award by returning an

executed copy of the Award Letter to the Department before the Department files its FY2014 E-Rate applications.

4. CONTRACT

If no appeal is filed challenging an award made pursuant to this RFP, the Department and each selected vendor shall enter into a formal Confirmation of Services Agreement and Statement of Work prior to the filing of the Department's FY2014 E-Rate applications. However, if a valid appeal is timely filed, the Department may not legally enter into a formal contract with the selected vendor unless and until the Administrative Review Board affirms the award by the Evaluation Committee. Specifically, Regulation 7040 (Regulations for the Acquisition, Sales and Auctions Goods, Works and Non-Personal Services by the Department of Education, October 5, 2005), as amended by Regulation 7545 on August 6, 2008 and further amended by Regulation 7934 on October 30, 2010), provides as follows:

Article 68 – POSTERIOR ACTION TO ADMINISTRATIVE REVIEW PROCESS

Once the controversy under administrative review is resolved, unless a substitute auction is ordered, the auction record will be referred to the Buyer or Regulatory Office of Procurement, Auctions, and Contracts in order to proceed with the purchase or the formalization of the contract, as the case may be. The winning bidder will be the one to whom the auction was originally adjudicated if the request for review is declared to be without grounds; or the winning bidder will be the one designated by the Review Board if the decision made by the Auction Board is revoked. (*Emphasis Added*)

Any judicial appeal in process will not affect the continuity of the process of purchases, unless it is stopped by an order of a Court of Justice with jurisdiction over the case.

Because the Department is not legally permitted to execute a formal contract for an award being challenged on appeal, the Award Letter shall constitute the contract between the Department and the winning vendor, for purposes of E-Rate compliance. If the award is affirmed by the Review Board, the Department and the selected vendor shall execute a formal contract as expeditiously as possible.

5. APPEAL PROCESS

Award appeals shall be governed by the following laws and guidelines: (a) Regulation No. 7040, (b) Regulation No. 3241 (Regulation of the Board of Review, June 1985) and (c) the Procurement Guidelines. Any vendor adversely affected by the decision of the Evaluation Committee may file a request for review with the Administrative Review Board of the Department of Education. All requests for review must be filed within ten (10) calendar days from the date of the postmark on the envelope containing the Notice of Award and Acceptance Agreement addressed to the vendor seeking review. Vendors who fail to file requests for review within the ten (10) calendar-day period waive their right to contest an award.

Pursuant to Section 70 of Regulation 7040, a petition for review filed with the Administrative Review Department must be accompanied by an appeal bond. The appeal bond required to file an appeal of award(s) pursuant to this competitive proposal shall be 5% of vendor's total price proposal for the first year of the contract. If the vendor's appeal is found by the Administrative Review Department to be frivolous or capricious, the appeal bond may be executed and applied to offset any and all damages or additional costs suffered by the PRDE due to the frivolous review filing. In addition, any vendor determined to have filed a frivolous or unjustified appeal may also be eliminated from the Bidders Registry for a period of not less than one (1) year and not more than two (2) years. The appeal bond requirement is jurisdictional.

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APPENDIX I
PRDE SCHOOLS AND NON-INSTRUCTIONAL FACILITIES

THIS DOCUMENT IS AVAILABLE ON PRDE WEBSITE FOR DOWNLOAD AT
[HTTP://DE.GOBIERNO.PR/ERATE2014](http://de.gobierno.pr/erate2014)

PRDE E-RATE ELIGIBLE ENTITIES

ENTITY	CODE	NAME	TYPE	ADDRESS
1	206878	SUP. NUEVA VEGA ALTA(ILEANA DE GRACIA)	SCHOOL	CARR 2 KM 31 HM 8 SECT BAURAS
2	16034717	ELEMENTAL URBANA NUEVA	SCHOOL	CARR #164 KM 3 HM 1
3	206296	TOA ALTA HIGHT (SUPERIOR PINAS)	SCHOOL	AVE PRINCIPAL, TOA ALTA HEIGHTS
4	16035772	SUPERIOR VOCACIONAL NUEVA	SCHOOL	CARR #164 BO NUEVO
5	217966	GIUSTI	SCHOOL	CARR 863 KM 0 HM 9 BO PAJAROS
6	16034716	TOMAS MASO RIVERA MORALES	SCHOOL	CARR 861 KM 5.5 BO PIÑAS, TOA ALTA
7	16034714	ELEMENTAL NUEVA	SCHOOL	AVE RAMON B LOPEZ SABANA LLANA
8	222730	ESCUELA DE LA COMUNIDAD RIO LAJAS	SCHOOL	CALLE 8 RIO LAJAS
9	206876	S.U. FRANCISCO FELICE MARTINEZ	SCHOOL	CARR 693 CALLE 2 KM 14 HM 4 BO BREÑAS
10	221552	ESCUELA S.U. ANTONIO RIVERA	SCHOOL	CARR 167 RAMAL 816 KM 6 BO NUEVO
11	206527	MARIANO ABRIL INTERMEDIA	SCHOOL	RAMAL 834 KM 22 HM 6 BO RIO GUAYNABO
12	206526	SUP. MARGARITA JANER PALACIOS	SCHOOL	CARR ALEJANDRINO FINAL KM 1 HM 0
13	206525	LUIS MUNOZ RIVERA II	SCHOOL	AVE PONCE DE LEON BO AMELIA
14	180539	JOSEFINA BARCELO	SCHOOL	CARR 177 KM 5 AVE LOMAS VERDES LOS FRAILES LLANOS
15	206523	INT. JUAN E. MIRANDA	SCHOOL	CARR 177 AVE LOMAS VERDES BO FRAILES LLANOS
16	206522	ESPERANZA LINARES	SCHOOL	CARR 834 KM 3 HM 4 BO SONADORA ALTA
17	180544	SANTIAGO IGLESIAS PANTIN	SCHOOL	CALLE JOSE A TORRES CINTRON URB SANTIAGO IGLESIAS
18	180549	ESCUELA DE LA COMUNIDAD SANTA ROSA II	SCHOOL	CARR 833 KM 11 HM 6 BO SANTA ROSA III
19	180541	MARIANO ABRIL ELEMENTAL	SCHOOL	CARR 8834 KM 1.8 BO RIO
20	180556	RAMON MARIN SOLA	SCHOOL	CALLE AZALEA FINAL ESQ. CAMPOBELLO URB
21	206519	RAFAEL MARTINEZ NADAL	SCHOOL	CALLE RAMON MURGA BO CANO
22	206518	JUAN ROMAN OCASIO	SCHOOL	CALLE SAN MIGUEL BDA POLVORIN
23	223379	RAFAEL HERNANDEZ S.U.	SCHOOL	CARR 833 KM 3 HM 8 BO GUARRAGUAO
24	180551	ALEJANDRO CRUZ JR	SCHOOL	CARR 834 INT KM 3 HM 4 BO MAMEY II
25	217964	JOSE DE DIEGO	SCHOOL	CARR 834 BO MAMEY I
26	180555	HATO NUEVO	SCHOOL	CARR 834 KM 3 HM 0 BO HATO NUEVO
27	180547	JUANILLO FUENTES	SCHOOL	CARR 837 BO SEC CANTA GALLO BO SANTA ROSAI
28	180546	ESCUELA BETTY ROSADO DE VEGA	SCHOOL	CARR 20 KM 8 HM 6 BO CAMARONES
29	206889	SUP. JUAN QUIRIDONGO MORELL	SCHOOL	CALLE O FERNAL URB EL ROSARIO
30	180566	SILVESTRE MARTINEZ	SCHOOL	CARR 826 KM 12 HM 1 BO GUADIANA COM LAGO LA PLATA
31	180606	AGAPITO ROSARIO	SCHOOL	CALLE S ESQ T URB ALTURAS
32	180583	MARIA J CORREDOR	SCHOOL	CALLE CAMPO AMOR ESQ. PELAYO URB COVADONGA
33	206262	INT. MARCELINO CANINO CANINO	SCHOOL	CARR 694 KM 1 HM 2 BO MAGUAYO
34	180514	PORFIRIO CRUZ GARCIA	SCHOOL	CARR 568 KM 6 HM 6 BO CUCHILLAS
35	206560	MARIA T. PENEIRO	SCHOOL	CALLE LOS MARQUEZ FINAL BO SABANA
36	180578	MARIA C OSORIO	SCHOOL	URB TOA ALTA HEIGHTS CALLE 19 BO PIÑAS

PRDE E-RATE INELIGIBLE ENTITIES

	ENTITY	CODE	NAME	TYPE	ADDRESS
1	180121	10124	JUSTINIANO TORRES	SCHOOL	CARR 639 KM 2 HM 7 SECT CANDELARIA BO SABANA HOYOS
2	206273	10215	DOMINGO RUIZ	SCHOOL	CALLE 3 BO DOMINGO RUIZ
3	182016	10546	SU FEDERICO DEGETAU	SCHOOL	CARR 2 KM 68 BO SANTANA
4	180182	10611	VICTOR ROJAS I	SCHOOL	CALLE C BDA VICTOR ROJAS I
5	217884	10629	VICTOR ROJAS II	SCHOOL	CALLE A HM 2 BDA VICTOR RODRIGUEZ
6	206347	10744	IMBERY	SCHOOL	PARCELAS IMBERY CALLE 6 ESQ 5
7	180216	11023	ANTONIO REYES	SCHOOL	CARR 486 KM 2 HM 6 BO ZANJA
8	206847	11163	CRISTOBAL VICENS	SCHOOL	CARR 146 KM 26 BO CORDILLERA
9	206380	11353	MANUEL CORCHADO	SCHOOL	BO AIBONITO KM 4.7
10	206407	11593	GABRIELA MISTRAL	SCHOOL	CARR 135 KM 65.6
11	16035766	11756	LUIS FELIPE RODRIGUEZ GARCIA	SCHOOL	CARR #483 KM 13 HM 1 BO PIEDRA GORDA
12	180325	11908	JULIO LEBRON SOTO	SCHOOL	CARR 135 KM 60 BO CASTAÑER
13	226415	11916	RAFAEL MARTINEZ NADAL	SCHOOL	6 CALLE ECHERAY
14	206415	12039	MICAELA ESCUDERO	SCHOOL	CARR 2 KM 44 HM 4 BO CANTERA
15	181336	12104	JOSE DE DIEGO	SCHOOL	17 CALLE BALDORIOTY
16	206461	12153	CLEMENTE RAMIREZ DE ARELLANO	SCHOOL	CARR 670 KM 4 HM 9 BO PUEBLITO
17	206464	12195	SU FEDERICO FREYTES RODRIGUEZ	SCHOOL	CARR 624 KM 5 HM 8 BO MONTE BELLO
18	180338	12211	JOSEFA RIVERA MIRANDA	SCHOOL	CARR 608 KM 1 HM 8 BO SAN JOSE
19	206863	12278	JUANA G AVILES (FRANQUEZ)	SCHOOL	CARR 155 KM 2 HM 1 RAMAL 634 BO FRANQUEZ
20	206864	12377	JAIME A COLLAZO DEL RIO	SCHOOL	CARR 159 KM O HM 7 AVE COROZAL BO PUEBLO
21	180364	12575	ROMAN DIAZ AVILES	SCHOOL	CARR 157 KM 20 HM 4 BO DAMIAN ARriba
22	206867	12617	NELIDA MELENDEZ MELENDEZ(Intermedia Urbana)	SCHOOL	CARR 155 KM 27.5
23	206472	13334	SU MARTA LAFONTAINE	SCHOOL	CARR 613 KM 3 HM 2 BO CAONILLAS
24	180402	13342	ANTONIO TULLA TORRES	SCHOOL	CARR 140 KM 5 HM 6 BO MAMEYES
25	206870	14340	ALBERTO MELENDEZ	SCHOOL	CALLE JUAN D RIVERA DE SANTIAGO
26	180100	14381	PRE-VOCACIONAL JOSE LIMON ARCE	SCHOOL	CALLE ANTONIO R BARCELO HM 152 BO PUEBLO
27	206371	15156	VOCACIONAL AGRICOLA SOLLER	SCHOOL	CARR 453 KM 6 HM 6 SECT SOLER BO CIBAO
28	180291	15438	ANTONIO GEIGEL PAREDES	SCHOOL	CARR 112 KM 3.5 BO. MORA
29	180108	15701	LUIS MUÑOZ RIVERA	SCHOOL	AVE JOSE DE DIEGO #300
30	206385	15768	JOSE GAUTIER BENITEZ	SCHOOL	CARR 490 KM 3.8
31	16034567	17343	BELLAS ARTES	SCHOOL	CARR 662 SECT LOS LLANOS BO SANTANA
32	206252	17384	LUIS F CRESPO	SCHOOL	CARR 486 KM 3 BO PUENTE
33	206255	17392	INSTITUTO TECNG RECINTO DE MANATI	SCHOOL	CARR 2 KM 4 HM 3
34	206256	17418	NUEVA JUAN S MARCHAND	SCHOOL	CARR 685 SECT LOS RABANOS BO BOQUILLAS
35	16034569	17749	SU BARRIO SABANA HOYOS (NUEVA)	SCHOOL	CARR 639 KM 3 HM 2 BO. SABANA HOYOS
36	16043312	17863	LUIS MUÑOZ RIVERA VOCACIONAL	SCHOOL	CARR 10. KM. 52.5 BO. SALTO ARRIBA

**APPENDIX VI
PROPOSAL SUBMITTAL FORMS**

**ALL FORMS ARE AVAILABLE ON PRDE WEBSITE FOR DOWNLOAD AT
[HTTP://DE.GOBIERNO.PR/ERATE2014](http://de.gobierno.pr/erate2014)**

FORM 2
PRICE PROPOSAL FORMS

**PRICE PROPOSAL FORMS ARE AVAILABLE ON THE PRDE WEBSITE FOR DOWNLOAD AT
[HTTP://DE.GOBIERNO.PR/ERATE2014](http://de.gobierno.pr/erate2014)**

FORM 2-A: WAN PRICE PROPOSAL

FORM 2-B: INTERNET PRICE PROPOSAL

FORM 2-C: MOBILE INTERNET DATA PROPOSAL

APPENDIX VI
FORM 2-A

WAN PRICE PROPOSAL

RFP NO: WAN/INTERNET-OSIATD-2014-001

(EXCEL VERSION OF THIS TEMPLATE IS AVAILABLE AT [HTTP://DE.GOBIERNO.PR/ERATE2014](http://de.gobierno.pr/erate2014))

EACH VENDOR IS REQUIRED TO SUBMIT A PRICE PROPOSAL ON THIS FORM WITH ITS PROPOSAL. ANY VENDOR THAT FAILS TO SUBMIT A PRICE PROPOSAL ON THIS FORM IS AUTOMATICALLY DISQUALIFIED FROM CONSIDERATION OF AN AWARD.

VENDORS SHOULD PROVIDE PRICING FOR BOTH PART I AND PART II OF THIS WORKSHEET

Quantities Listed Below are Estimates and will be used for Cost Comparisons; Final Counts May Vary Slightly

PART I: ELIGIBLE ENTITIES				MONTHLY PER SITE							EXTENDED
RECURRING MONTHLY				WAN	ADMIN CHARGE	SERVICE CHARGE	FEDERAL USF FEES	PR USF FEES	OTHER FEES/CHARGES*	TOTAL MTHLY PER SITE	ANNUAL RECURRING
Schools		INITIAL BANDWIDTH	QTY								
		5 MBPS	4								
Schools		10 MBPS	53								
Schools		30 MBPS	605								
Schools		50 MBPS	357								
Schools		100 MBPS	165								
Schools		150 MBPS	1								
NIFs		3 MBPS	23								
NIFs		5 MBPS	1								
NIFs		10 MBPS	33								
NIFs		100 MBPS	1								
NIFs		1 GBPS	1								
NIFs		10 GBPS	1								

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RECURRING CHARGES WITH 1-TIME INSTALLATION

ENTITY/FACILITY	INITIAL BANDWIDTH	QTY	ANNUAL RECURRING	1-TIME INSTALLATION	ANNUAL EXTENDED	4-YEAR TOTAL
Schools	5 MBPS	4				
Schools	10 MBPS	53				
Schools	30 MBPS	605				
Schools	50 MBPS	357				
Schools	100 MBPS	165				
Schools	150 MBPS	1				
NIFs	3 MBPS	23				
NIFs	5 MBPS	1				
NIFs	10 MBPS	33				
NIFs	100 MBPS	1				
NIFs	1 GBPS	1				
NIFs	10 GBPS	1				

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AMORTIZATION OF UP FRONT CAPITAL COSTS

DESCRIPTION	TOTAL		
	RECURRING	NON-RECURRING	EXTENDED
Capital infrastructure costs for required service provider facility			
Installation			
SUBTOTAL, UP-FRONT CAPITAL COSTS:			
AMORTIZED OVER 4 YEARS:	1-YEAR RECURRING	1-YEAR NON-RECUR	4-YEAR EXTENDED
Yearly maintenance for above			
Access charge, per month			
TOTAL:			
Additional information: Amortization statement: PRDE recognizes that SLD program rules require amortization over a period of at least three years when up-front capital costs exceed \$500,000. Up-front capital costs include service provider recovery for components and installation, but not up-front charges for maintenance.			

*DESCRIBE "OTHER FEES/SURCHARGES AND NOTE % (IF APPLICABLE)

FEE/SURCHARGE	AMOUNT	%

PART II: INELIGIBLE ENTITIES										
RECURRING MONTHLY				PER SITE						
ENTITY/FACILITY	INITIAL BANDWIDTH	QTY	WAN	ADMIN CHARGE	SERVICE CHARGE	FEDERAL USF FEES	PR USF FEES	OTHER FEES/CHARGES*	PER SITE RECURRING	EXTENDED ANNUAL RECURRING
Schools	5 MBPS	2								
Schools	10 MBPS	18								
Schools	30 MBPS	139								
Schools	50 MBPS	76								
Schools	100 MBPS	41								
NIFs	3 MBPS	2								

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RECURRING CHARGES WITH 1-TIME INSTALLATION

ENTITY/FACILITY	INITIAL BANDWIDTH	QTY	ANNUAL RECURRING	1-TIME INSTALLATION	ANNUAL EXTENDED	4-YEAR TOTAL				
Schools	5 MBPS	2								
Schools	10 MBPS	18								
Schools	30 MBPS	139								
Schools	50 MBPS	76								
Schools	100 MBPS	41								
NIFs	3 MBPS	2								

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AMORTIZATION OF UP FRONT CAPITAL COSTS

		TOTAL		
DESCRIPTION		RECURRING	NON-RECURRING	EXTENDED
Capital infrastructure costs for required service provider facility				
Installation				
	SUBTOTAL, UP-FRONT CAPITAL COSTS:			
	AMORTIZED OVER 4 YEARS:	1-YEAR RECURRING	1-YEAR NON-RECUR	4-YEAR EXTENDED
Yearly maintenance for above				
Access charge, per month				
	TOTAL:			

Additional information: Amortization statement:
 PRDE recognizes that SLD program rules require amortization over a period of at least three years when up-front capital costs exceed \$500,000. Up-front capital costs include service provider recovery for components and installation, but not up-front charges for maintenance.

*DESCRIBE "OTHER FEES/SURCHARGES AND NOTE % (IF APPLICABLE)

FEE/SURCHARGE	AMOUNT	%

APPENDIX VII E-RATE COMPLIANCE REQUIREMENTS

1. KEY E-RATE PROGRAM DEFINITIONS:

“E-Rate program” shall mean the program currently administered by SLD/USAC or any of its successors under which eligible schools, libraries and consortia may receive discounts for eligible telecommunications services, Internet access and internal connections through the Universal Service Fund.

“E-Rate discount” means the discount that eligible schools and libraries may receive for the acquisition of eligible telecommunications services, Internet access and internal connections.

“USAC” means the Universal Service Administrative Company, a private not-for-profit company that provides access to affordable telecommunications services in the United States and its territories through its administration of the Universal Service Fund. USAC administers the Universal Service Fund (“USF”) under regulations promulgated by the FCC.

“SLD/USAC” means the School and Libraries Division, that branch of USAC, which administers the E-Rate program that provides affordable access to telecommunications services for all eligible schools, libraries and consortia in the United States and its territories.

“Discounted Portion of E-Rate Eligible services” shall mean that portion of the charge for E-Rate eligible services, for which the vendor is able to seek reimbursement from USAC, as determined by the SLD/USAC in any Funding Commitment Decision Letter (“FCDL”).

“Non-Discounted Portion of E-Rate Eligible services” shall mean that portion of the charge for E-Rate Eligible services for which the PRDE is responsible for payment as determined by the SLD/USAC in any FCDL. The Non-Discounted Portion shall not exceed the sum authorized by the PRDE.

“E-Rate Eligible services” shall mean services defined by the SLD/USAC as eligible for the E-Rate discount as determined by FCC notices, rules, regulations and guidelines.

“Ineligible E-Rate services” shall mean services determined by the SLD/USAC to be ineligible for the E-Rate discount as determined by FCC notices, rules, regulations and guidelines, or otherwise.

“Invoice Receipt Deadline” shall mean the deadline established by the SLD/USAC for the filing of Form 472 or Form 474 invoices for the Discounted Portion of E-Rate Eligible services. The Invoice Receipt Deadline is normally one-hundred twenty (120) days after the Service Delivery Deadline.

“Service Delivery Deadline” shall mean the deadline established by the SLD/USAC by which time services must be delivered and installed based on FCC notices, rules, regulations and guidelines.

“Recurring Services” shall mean services generally offered on an ongoing basis and paid for in regular monthly, quarterly, or annual payments.

“Non-Recurring Services” shall mean those services generally offered on a one-time basis.

“Form 474” shall mean the service provider invoice (“SPI Form”) that is submitted by the service provider to the USAC to request reimbursement for discounts already provided on customer invoices.

“SPIN” shall mean a service provider identification number. It is the unique number assigned to each service provider participating in the USF.

“Border Gateway Protocol (BGP)” shall mean one of the key routing protocols of the Internet. It works by maintaining a table of IP (Internet Protocol) networks or prefixes that designate network paths among autonomous systems.

“Eligible Services List (ESL)” shall mean the list of services approved by the FCC for funding under the Schools and Libraries Program. The ESL is funding year specific.

“Beneficiary Audits” shall mean the audits performed by national accounting firms to determine if the beneficiaries (the recipients of discounted services) comply with FCC rules and reasonable business practices. The USAC hires the accounting firms to perform the audits in order to prevent waste, fraud, and abuse of the E-Rate program.

“Customer Bills” shall mean the invoices submitted to the PRDE. This is used to differentiate between PRDE invoices and invoices submitted to the SLD/USAC.

“Form 498” (“Service Provider Information Form” or “SPIF”) shall mean the form that service providers complete in order to participate in USF programs. This form provides contact information at the company/corporate level as well as contact information for each USF program.

2. E-RATE COMPLIANCE REQUIREMENTS

The selected service provider must comply with the following requirements:

- A. Vendor must retain the services of an E-Rate consultant or have a designated employee familiar with E-Rate program rules, forms and processes, who will conduct periodic audits of the vendor’s processes and forms and assist the Department with ensuring the vendor is compliance with SLD/USAC and FCC requirements.
- B. Vendor must submit invoices and supporting documents approved by the Department in accordance with the E-Rate Invoicing Requirements on **APPENDIX IV** to the RFP.
- C. File with the SLD/USAC a Service Provider Annual Certification form (SPAC – FCC Form 473).

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- D. Assist the Department with preparing all information and paperwork required by SLD/USAC at the direction of the Information Technology Department.
 - E. Demonstrate knowledge and expertise of Federal Communications Commission ("FCC") rules, regulations, and guidelines related to the E-Rate Program.
 - F. Advise the Department of FCC regulation changes and their impact on E-Rate Eligible services provided by the vendor.
 - G. Review the Eligible services List and recommend eligible solutions to the Department.
 - H. Prepare correspondence to the SLD/USAC and/or FCC on behalf of the Department (e.g. service substitution request and other related matters) directly related to the E-Rate eligible services.
 - I. Assist the Department in appealing any adverse ruling of the SLD/USAC and/or FCC that are directly associated with E-Rate Eligible services.
 - J. Provide the Department with written opinions relating to eligibility and compliance with E-Rate rules, regulations and guidelines as deemed appropriate by the Department in support of the eligible service.
 - K. Assist in the preparation and provide staff as requested by the Department for beneficiary audits conducted by the FCC and/or their agents throughout the year.
 - L. Make staff available for any audits that are conducted by SLD/USAC or the Department.
 - M. Maintain copies of customer bills and invoices submitted to SLD/USAC to facilitate any requested reconciliation.
 - N. Comply with the E-Rate rules pertaining to on premise equipment. At all times, Vendor shall comply with the following regulations issued by the Office of Government Ethics, 5 CFR §§ 2635.201-2635.205, as may be amended ("Federal Gift Policy"). Vendor understands and agrees that it is solely responsible for ensuring that the vendor and its staff is in compliance with the Federal Gift Policy at all times throughout the competitive proposal and contract term. If there is a violation of the Federal Gift Policy that results in the loss, denial, or withdrawal of any E-Rate funding by SLD/USAC, FCC, or other governmental agency or authority, vendor hereby waives any and all claims against the Department for the loss, denial, or withdrawal of the Discounted portion of E-Rate eligible services and/or products, regardless of any actions taken by the Department that may have contributed to the violations of the Federal Gift Policy.

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